The Nation's Business

THE FINANCIAL POST

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Budget Prospects For the Coming Year

OTTAWA must have been considerably embarrassed by last week's press reports forecasting a sharp reduction in the federal sales tax next spring. The Government usually makes no attempt either to deny or affirm such statements, but their circulation may do some harm in slowing up business among those who would postpone transactions until the theoretically lower tax is operative.

Even in normal years, revenue and finance officials make no attempt to appraise budget and tax conditions this early in the fiscal year. Current practice is to wait at least until nine months' figures are complete before even preliminary studies are attempted. This year the disturbing international situation; the heavy demands for drought relief in Saskatchewan and the still unknown effects on Canada of the business recession in the United States are factors which make prospects for 1938 as uncertain as any that the administration has been faced with for some time.

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ONE important factor which optimists have overlooked is the probability that if there is any surplus in hand or in prospect it will be applied largely to a permanent debt reduction policy rather than to substantial tax reductions. Such a policy, though not as stimulating as tax cuts, would nevertheless be of broad benefit to businessmen and would lead to lower taxation in the long run.

This alternative gains strength in light of federal election prospects. It is thought highly improbable that the Federal Government will go to the country in 1938 when its trade treaty policy would be the major issue. Ottawa believes it can swing public opinion behind these treaties without recourse to a general election. Obviously if an election were held in 1938 there would be a demand for tax reductions in the budget which might postpone consideration of a debt reduction plan.

As for 1939, it may be necessary to go to the country in that year on the much more vital issue of the Rowell Commission findings in which case the Government, having started its debt reduction plan in 1938, would then be in a position to plan some tax reductions.

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AS The Financial Post has repeatedly pointed out, the great need of this country is balanced budgets and sound fiscal policies both on the part of Federal and Provincial Governments. Many public men have recently pointed to the fact that Canada's public debt burden has now crossed the $8 billions mark and that tax collections now reach to the staggering total of $700 millions annually.

There can be no permanent prosperity for Canadian trade and commerce until specific, constructive steps are taken to reduce the debt burden, and the Government would be well advised to put a debt reduction plan first on its budget agenda. Such a step, if properly publicized and explained, should commend itself to business as sound financial practice even if, in the first year, it were necessary to choose between debt reduction and tax reduction.

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King's Stand On Power Export

AN IMPORTANT result of the new power contracts now being negotiated by the Ontario Government and the Hydro-Electric Power Commission is their request to export reserve power. If agreement can be reached between Premiers Duplessis and Hepburn and a license obtained from Ottawa, the Ontario Hydro-Electric Power Commission is planning to negotiate a five-year contract with the Niagara-Hudson Power Co. which would be subject to annual renewal during that period. Major reason for Hydro's desire to export is to make use of the excess power which it is purchasing from the Beauharnois Light, Heat and Power Co. under the new contract now under negotiation. It would probably be carried across the border at Cornwall, Ont.

One reason the Federal Government is hesitant about taking responsibility for granting an export license is that it remembers all too well the "valley of humiliation" into which it was plunged not very many years ago by a previous contact with Beauharnois. Accordingly, Prime Minister King will probably insist that Parliament itself approve any request for an export license.

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BY and large there is no valid reason why small amounts of power should not be exported on a short-term basis in the St. Lawrence area. If this is a "firm" power export such as Ontario desires, permission to export might well come under review of Parliament itself as required in an act passed by the House of Commons in 1929, but which was subsequently defeated by the Senate. In any event Canada should make no commitments longer than, say, a five-year period.

An important consideration in the St. Lawrence area is that eventually an international power project will be undertaken there by Canada and

(Continued on page 2, col. 2)

Alberta Unity Faces Friction Over Parties

McFarland Heads Council Formed With Liberals Absent

CONSERVATIVES JOIN

From Our Own Correspondent

EDMONTON.—Despite an earlier announcement from Liberal Leader E. L. Gray that the Liberal party could not participate in the proposals of unity laid down by the People's League, chief feature of which was formation of a provincial council, the League has organized a council under the chairmanship of John I. McFarland, of Calgary.

Only party officially represented was the Conservative, though U.F.A. representatives were present as individuals. A statement from Norman F. Priestly, vice-president of the U.F.A., made it clear the next day that the U.F.A. was not committed to any unity proposal.

Launching the McFarland Council appeared to create definite difficulties for unity negotiations involving the Liberal party, for the sponsors of the new council, the Conservative party and the People's League, had ignored an earlier proposal for a provincial council, to be strictly advisory in nature, from Mr. Gray. The Gray council was proposed last August, and four members named by Mr. Gray. Other parties failed to name members to it despite the invitation to do so.

The new council proposes a provincial unity convention in the near future to consider a programme of "sane but effective action." Executive members selected to assist Mr. McFarland are C. C. Gillies, Clover Bar farmer and People's League leader; Frank Collicut, Crossfield, People's League advocate; R. G. Reid, former U.F.A. premier; and J. W. Crawford, Calgary Conservative.

Further details of the political situation in Alberta are covered on page 11.

Massey-Harris Sales Up 40%

Gain in Past Year Will Permit First Net Profit Since 1929

Massey-Harris Co. directors officially report that sales for the fiscal year ended Nov. 30, 1937, show an increase of approximately 40% over the corresponding period of 1936.

Based on this statement it is seen that actual sales for the 1937 year must have been about $26.6 millions, an increase of $7.6 millions over the sales of just under $19 millions reported in the year ended Nov. 30, 1936.

Last year on sales of $19 millions the company provided for all costs including depreciation of $474,199 and wrote down receivables by $553,133. After all deductions, a net loss of $58,414 was reported, against a loss of $1.4 million in the 1935 year. A 30% gain in sales served to reduce the deficit by about $1.4 million.

This year's sales gain is 40%, so it seems reasonable to assume that profits will show at least as much improvement as a year ago, which would give a net of around $1.3 million. This would be equivalent to almost $11 a share on the 5% preferred stock. No cash dividends, however, can be paid until the company retires a further $2 millions of its bonds in addition to sinking fund provisions.

Shawinigan Pays Extra Dividend

From Our Own Correspondent

MONTREAL.—In view of a substantial improvement in earnings this year, the directors of Shawinigan Water & Power Co. have declared an extra dividend on the company's common stock amounting to 5 cents a share. This payment will be made, in addition to the regular quarterly dividend of 20 cents a share, in February, 1938.

On Feb. 15, 1937, the company increased the regular dividend from 15 cents a share quarterly to 20 cents a share.

Export Trade Helps Canners

Canadian Canners' Sales Up — Common Dividend Becomes a Possibility

Dividends on the common stock of Canadian Canners may be a possibility before long if the good volume of business being enjoyed this year continues. The company's sales, aided by a marked increase of export business to Great Britain, have been substantially higher than those of the 1936-7 fiscal period, which in turn were 20% above those of the year before.

Labor and material costs have been somewhat higher, and the management is not yet able to forecast what the net result will be, but higher earnings may reasonably be expected. The full base rate of 15 cents quarterly is now being paid on the second preferred. As earnings last year were well above this amount after first preferred participation requirements, common shareholders may look forward to dividends within a reasonable period.

The export business is not entirely new, for the company has sold its products in the British Isles for 20 years. It was of minor importance until recent years, however, when the Imperial Trade Pact made it possible and profitable to market canned goods overseas in large quantities. Most of the preliminary "spade work" of developing the market has now been completed, and the company is this year feeling the real benefit of the new outlet.

The situation can perhaps best be explained by considering the tomato pack, the largest item in the canning business. It is estimated by Canadian Grocer that this year's pack for the whole industry will total 2.7 million cases and that possibly between 750,000 and 1 million cases will be exported. The importance of the export trade to Canadian Canners Ltd., the biggest operator, is obvious.

Domestic business has been good, and so it is not likely that inventory carryover will be excessive. Retail prices have been somewhat lower, but, as the company's sales are largely made by forward contract, this is not a matter of immediate concern. It will also have the effect of increasing consumption.

Spotlight On Hydro

Conclusion of new contracts between the Ontario Hydro Commission and Quebec power companies once again focuses widespread attention on the publicly-owned utility, and marks the beginning of another phase in the development of the 30-year-old enterprise. Next week The Financial Post will undertake to review the present position of Hydro in the light of its history in recent years, and to evaluate the significance of its new "away from Niagara" policy.

Next issue will also throw the spotlight on the world-wide base metal situation, and what it means to Canada.

Will Present Merger Plan To Provinces

Rowell Commission to Get Reactions to Bracken Proposal

STUDY OVERLAPPING

By NORMAN A. WHITE
Staff Writer, The Financial Post

REGINA.—The Royal Commission on Dominion-Provincial Relations intends to make a thorough study of the governments of the four Maritime duplication of government services and taxation.

Governments of the three Prairie Provinces are being asked to express their views on a possible merger of these provinces into one and a similar question will probably be put to the government of the four Maritime Provinces. In addition, the proposed merger between British Columbia and the Yukon will also be considered.

Furthermore, the opinion of the provinces is being sought in regard to the merging of municipalities into larger units and the prospective saving in this regard. This proposal applies largely to rural municipalities and Manitoba indicated that it did not think the saving would be large as the cost of government in rural municipalities is low.

Bracken Stand

In reply to the question in regard to merging of the three Prairie Provinces, Premier John Bracken of Manitoba, asserted in Winnipeg that he thought that in the long run it would be of great advantage to western Canada and Canada as a whole.

"If such a proposal is wise in the long run, the people of the prairies should know it," Premier Bracken stated. "If it is unwise, the whole Canadian people should know it so some of them will stop trying to promote it."

In suggesting that the commission should undertake a thorough study of the possible economies he stated, "the opinion of an impartial and

(Continued on page 3, col. 6)

Power Export Gains Support

Hepburn, Duplessis Drive Makes Headway at Ottawa

From Our Own Correspondent

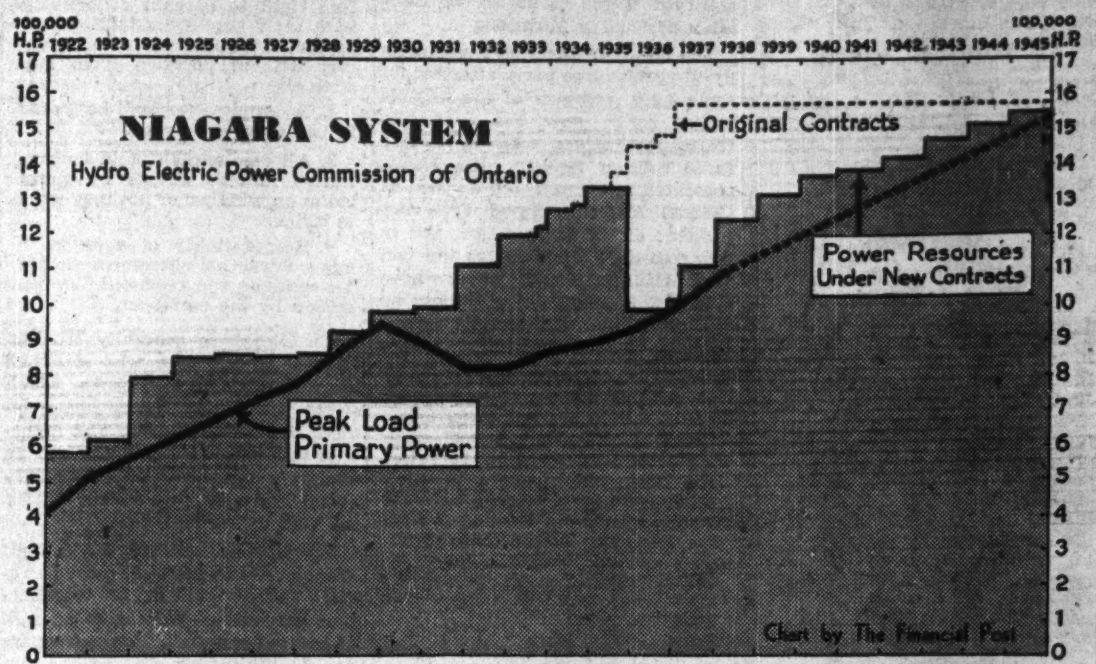
OTTAWA.—From a lost cause which enjoyed not the remotest chance of success, the crusade of Premiers Mitchell F. Hepburn of Ontario and Maurice Duplessis of Quebec to secure Federal permission to export surplus electrical power to the United States has become, within the past week, a proposal which faces almost an even prospect of securing approval.

Cabinet opinion is in a definite state of flux. As yet, it is doubtful if a majority of the ministers favor export. But the argument that, under the terms of the new contract which Mr. Hepburn has made with the Beauharnois Corporation, it is the people of Ontario who will have to pay for any surplus energy for which a market cannot be found, is having a growing appeal to Cabinet circles. It is worth noting, however, that the present Liberal opinion on the question of export has grown up during the absence of Prime Minister W. L. Mackenzie King in the South. What the final decision will be will depend upon Mr. King.

As far as the situation has progressed at the present moment, at least one of the senior members of

(Continued on page 3, col. 3)

Hydro Abandons Repudiation Era
Ontario Power Surplus Restored



This chart depicts the interrelation between the total power supply resources of the Hydro-Electric Power Commission of Ontario and the steadily rising power demand. In recent years a little less than 900,000 h.p. has been developed by Hydro's own Ontario plants and the balance is power purchased, almost entirely from the four Quebec power companies affected by the contract repudiations of 1935 and the successive revised agreements within the past two years. Dotted line at the top of the chart indicates the volume of power the Hydro would have taken had the original Quebec contracts not been repudiated. The continuation of the peak load power demand line beyond 1937 is based on current estimates of the probable increase in yearly peaks within the next few years.

Long Term Protection Provides Room For Growth of Industrial Demand

New contracts have been signed by the Hydro-Electric Power Commission of Ontario with three Quebec power companies, the result of which may be summarized as follows:

(1) All danger of a power shortage in Ontario has been removed for years to come.

(2) Costly litigation in progress between Beauharnois Light, Heat & Power Co. and the Commission has been terminated.

(3) The principle of providing "adequate protection for the future" is endorsed as the keynote of Hydro's policy on power supplies.

(4) The "back to Niagara" slogan of the Commission under the chairmanship of T. Stewart Lyons has been, at least temporarily, abandoned by the present Commission headed by Dr. T. H. Hogg.

The new contracts constitute a reversal of the Hepburn Government's Hydro policy as enunciated during the provincial election campaign in October.

After legal bickerings, litigation, cross-accusations and repudiation by Ontario of its contracts, four Quebec power companies will, by 1944, be delivering to Ontario Hydro 766,000 h.p. of 25 and 60-cycle power at a price of $12.50 per h.p. This is an increase of 310,000 h.p. over the eventual amount that was available from Gatineau Power Co., Maclaren-Quebec Power Co. and Ottawa Valley Power Co. under contracts negotiated with these three companies in 1935, 1936 and 1937. The total is only 25,000 h.p. less than would have been delivered by the end of 1936 under the original contracts with four companies which were declared void and unenforceable by 1935 legislation. The repudiated contracts, however, required payment of $15 per h.p., or $2.50 per h.p. more than the new price.

Three New Contracts

New contracts have been announced with Beauharnois Light, Heat & Power Co., Maclaren-Quebec Power Co. and Gatineau Power Co. The contract signed with Ottawa Valley Power Co. early this year for purchase by the Commission of 96,000 h.p. at $12.50 per h.p. and extending to Oct. 1, 1971, is not disturbed. The contracts with Gatineau and Maclaren-Quebec are revisions of existing contracts under which deliveries are now being made, but the Beauharnois contract is entirely new.

250,000 H.P. from Beauharnois

The new contract with Beauharnois calls for eventual delivery of the same amount of power as under the arrangement repudiated in 1935. First block of 125,000 h.p. was delivered on Dec. 14, 1937. The contract, which extends to Nov. 1, 1976, calls for increases in deliveries as follows: Nov. 1, 1938, 25,000 h.p.; Nov. 1, 1941, 50,000 h.p.; Nov. 1, 1942 and 1943, 25,000 h.p.; this brings total deliveries from Beauharnois to 250,000 h.p. from Nov. 1, 1943. There is no reserve power payment to Beauharnois.

Provision is made in the Beauharnois contract that a portion of the power delivered can be taken in 60-cycle current if required. This might be used to supply a possible demand for power to be exported to the United States or even to supply a growth in the eastern Ontario system requiring more power than now provided by the system's own plants and the contract with Gatineau Power Co.

The Beauharnois contract replaces the one repudiated in 1935 under which an eventual demand for 250,000 h.p. at $15 would have been reached by Nov. 1, 1936, thus postponing for seven years maximum deliveries from this company.

Maclaren Gets 60,000 H.P.

Maclaren-Quebec Power Co. is now delivering 40,000 h.p. of 25-

(Continued on page 2, col. 5)

Contracts Cover Charges On Power Company Bonds

Increase in Gatineau's Stock Profits Seen as Result of Hydro's Action

From Our Own Correspondent

MONTREAL. — Financially the new arrangement between Ontario Hydro-Electric Power Commission and the three Quebec power operators—Beauharnois Light, Heat and Power Co., Gatineau Power Co., and Maclaren-Quebec Power Co.—places those companies on a firm footing.

Briefly, the arrangement can be said to have placed Beauharnois in such a position that by the end of 1939 it will be able to pay interest on its 5% collateral trust bonds; Gatineau will be able to show earnings of around $1.40 a share on its new common stock in 1939; while Maclaren-Quebec Power will, when full deliveries are made, cover all interest charges with approximately $600,000 available for depreciation or dividends as the management may decide.

Beauharnois stands to gain more from the contract than the other two operators.

For the coming year Beauharnois will deliver to Hydro 125,000 h.p. for the full 12 months and an additional 25,000 during the last two months. Revenue from this source will total $1,640,625. To this should be added an income of $2,222,500 from Montreal Power and St. Lawrence Alloys. At this point it is important to note that the rate charged by Beauharnois to Montreal Power—$14.65 per h.p.—will have to be revised in order to put Montreal Power on the same basis as Hydro. This means a drop of $2.50 per h.p. in the revenue received from Montreal Power.

For 1938, Beauharnois should have

(Continued on page 12, col. 1)

Ontario's Folly

Last week the Ontario Government terminated the province's repudiation folly.

All that now remains of the $326 millions power contract cancellation of two years ago is the blot on the province's honor—the injury done to its credit. This blot will not as easily be removed.

The new agreements announced on Dec. 3 involve purchase of 430,000 horsepower of electric energy which, when added to power already contracted for under previously revised agreements, involves a contract value of $247 millions. The agreements extend until 1976 and restore within 25,000 horsepower the original contracts They represent a volte-face on the part of the Ontario Government that is almost breath-taking in its completeness.

Even during the recent provincial election campaign, Premier Hepburn boasted of his enmity toward the Beauharnois Light, Heat and Power Co., and reiterated his refusal to deal with this corporate child of the "power barons." Previous to this, Mr. Hepburn and his ministers had heaped every type of abuse on the "power hogs" and had boasted how easily the province could meet all its power needs without soiling its hands with the tainted Quebec product.

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Policy Steadily Reversed

Actually the Government's policy on the power contracts has been steadily and consistently moving toward reversal. The first of a new series of contracts was approved Dec., 1935. It provided for delivery of a maximum amount of 360,000 horsepower from two of the companies whose previous contracts had been repudiated. Since that time the Government has been fighting a losing rear-guard action to repair the repudiation damage and avert a serious power shortage which has threatened now for some time.

Suits were instituted meanwhile against the Hydro. One of these was terminated this year when Ottawa Valley Power Co. received a new contract for 96,000 h.p. The second suit, involving some $7 millions, is now halted by the agreement with Beauharnois. These actions steadily won their way through the courts despite Premier Hepburn's declaration in November, 1936, that one of the decisions was a "hogshead of law and a thimbleful of justice" and that the province "will never pay." Final steps toward retraction of the repudiation policy were the enforced resignation this spring of the author and chief advocate of the cancellation, Attorney-General Arthur Roebuck, and the resignation a few weeks ago of T. S. Lyon, chairman of the Hydro Commission since July, 1934.

Work on a new contract with Beauharnois Light, Heat and Power Co. and of supplementary contracts with Gatineau Power Co. and Maclaren-Quebec Power Co. was instituted immediately on the appointment of Dr. Thomas Hogg as chairman of the Commission on Nov. 1, 1937. Dr. Hogg has been hydraulic engineer for the Commission since 1913. He has a world-wide reputation as one of the outstanding experts in this field. He has contended for many years that Hydro would require additional sources of power if it were not to face a serious shortage

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Stand Vindicated

The new contracts are a complete vindication of the stand taken by The Financial Post in 1935, namely that the contract repudiation was "official stealing" which would prove a costly and disastrous blunder of the first magnitude to the credit and position of the province unless rectified or disallowed by the Federal Government. Further, the contracts show the complete futility of the repudiation policy in that after two years of litigation, negotiation and dishonerable backing and filling, the province has returned to the place it was at in the beginning—except for the change in the contract terms and the indelible blot on the province's credit left by the repudiation.

As The Financial Post pointed out in April, 1935, there was no evidence that the province "at any time approached the power companies with fair proposals for a rewriting of the contracts. The door was closed to such negotiations from the start."

This statement has been amply confirmed by subsequent events. In short, the whole sorry business has been as futile as it was unnecessary.

It emphasizes also the besetting sin of instability which has characterized the Hepburn administration in Ontario since its inception. Though Premier Hepburn is to be commended for his willingness to make a complete volte-face even at this late date, the initial blunder is his responsibility as head of the Government. It was a weak and deplorable step which need never have been taken, as there is no evidence to indicate that the contracts could not have been rewritten at the first without recourse to repudiation.

As to the future, the vital thing is that henceforth the Ontario Hydro Electric Power Commission be allowed to operate independently of political interference and under the direction of able, conscientious administrators.

Tip for the Week—Goodwill

Don't Sell Santa Claus Short
Sage Advice for Post Readers

Don't sell Santa Short!

Whether or not you believe in the actual existence of the old gentleman—and there have been rumors on the street—you cannot help but believe in the spirit which he embodies, Goodwill unto Men—and, of course, Women.

That such a Spirit does exist, The Financial Post has statistical proof, gleaned from retail and wholesale firms. This information is obtained from sources believed to be reliable and is absolutely guaranteed.

So, breaking its long, long rule of not giving tips as to what stock to buy, and what stock to sell, The Financial Post has no hesitation in urging that its readers take a long position on Goodwill Common, or preferred, if preferred.

In brief, say we, particularly to our men readers, if you have gifts to buy, buy them now.

The yield on Goodwill is attractively high just now, although there has been some dehoarding of this commodity in Europe and Asia during the past year. The fact that the demand for Goodwill (or the Spirit of Santa Claus) is unlimited, makes a long position imperative.

It is necessary, however, to add some additional words of warning. Investigate before you invest. Do not leave all the decisions to the customers' girl. She will help you shop but she does not know all the answers. Take some facts along with you when you give her your order for so many shares of Goodwill common.

Thus, you can avoid the problem of the writer of the following letter:

"I see," he writes, "that The Post is boosting Goodwill, common and preferred. Well, I loaded up with some and went to get a present for my wife.

"'Something in lingerie' I told the girl behind the counter. She looked at me as though she were waiting for me to finish. I had finished—or so I thought. But I soon found myself involved in an embarrassing contretemps, involving questions of size, color, and even whether plain or with lace along the bottom?

"It seems to me a paper of your standing and reputation should have looked into this thing a little more closely before you started recommending it to your readers.

The trouble with this reader was, of course, that he had not investigated before he invested. He had just loaded up with Goodwill and then waited blindly to receive the yield.

A few tacit questions, asked of his wife's sister, his daughter, or his mother-in-law would, in the first place, have put him right on the details.

As a matter of fact, the getting of sizes, weights, colors, etc. from Madame, Mademoiselle or la petite, is half the fun in this Goodwill business. Supposing a man wants to get his wife a pair of gloves. Over the dinner table, he says to his wife:

"Mrs. Blank, my partner in bridge last night, had the darndest pair of hands I've ever seen. It may be that I'm spoiled by your feminine little hands, but hers did seem to be awfully big."

"Why John," says his wife, looking pleased, (Goodwill, see?) "she takes a size glove smaller than mine."

"Aw, g'wan. I don't believe that," replies the husband. "I'd have to have proof."

"Well, I take size 5½ and she takes 4½."

It's as easy as that.

"Well then it must be that she wears the wrong color glove. Maybe the color of her gloves make her hand look bigger."

"That may be true. I always say that a woman should never wear such-and-such a glove. A so-and-so glove makes the hands look much more svelte."

Our friend now has all the information he wants. His encounter with the shop girl would be in such a case, a real pleasure. Of course, when it comes to the more intimate garments, the frillie frillie things of life, it might be advisable not to refer to Mrs. Blank but a cent invested in a weighing machine the next time you are out with your wife will provide a lot of necessary data.

As for placing goodwill with one's male associates, it is plain sailing. A pipe is a pipe, and only the rarer models have lace along the bottom. A cocktail shaker is a cocktail shaker, and its size depends entirely on one's capacity to drink, or entertain friends, not on the physical contours of the recipient.

If you want to know where to go to make such a sound investment look through the pages of this issue. You will find the advertisements of many good reliable agencies of the Santa Claus Corporation.

But before you take a peek, check this list so that you won't forget anybody:

- ☐ Wife and/or
- ☐ Girl friend
- ☐ Mother
- ☐ Father
- ☐ Grandpa
- ☐ Grandma
- ☐ Son
- ☐ Sister
- ☐ Daughter
- ☐ Brother
- ☐ Secretary
- ☐ Switchboard girl
- ☐ Business associate
- ☐ Star salesman

But why not finish the list yourself?

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Fine gift merchandise bearing EATON'S own branded line names ..labels with which she is already familiar, and which more than likely, will find favour in her eyes.

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Real silk crepe Elaine. Tested for quality. Nightgowns in white, tearose or blue, sizes 34 to 44. Eatonia Value, each ....

$3.00

Slips, straight or bias cut, in white, tearose, black or navy, sizes 32 to 44, Eatonia value, each ....

$2.00

Panties in tearose or white, sizes 32 to 42, Eatonia value ....

$1.00

Main Floor Yonge St.
Third Floor Queen St.

★ BRAEMORE GLOVES

Chamo-suede Simplex fabric gloves in slipon or buttoned styles. Fancy embroidered or with whip-stitch seams. Navy, black, brown, beige, grey and white. Sizes 6 to 7½ in the lot Pair ....

85c

Main Floor Yonge St.

★ Mayfair HOSIERY

Flattering and practical. Real silk in chiffon, crepe or service weight. Smart new shades. Sizes 8½ to 10½.

Pair .. **1.25** 2 prs. **2.40**

Main Floor, Yonge St.

Eatonia DIAMOND RINGS

Flawless diamonds mounted in 18K white or natural gold.
D Solitaires, Eatonia value, each. E Three Stone Ring, Eatonia value, each..

$100.00 **$150.00**

Main Floor Yonge St.

★ Eatonia EVENING SHOES

Slim, high-arched shoes in black or white real silk faille and real silk satin. Two new models shown . . . a T-strap and an open toe sandal. Sizes 3½ to 9 in narrow and medium widths. Eatonia value, pair ....

$5.00

Second Floor Queen St.

★ Mayfair UMBRELLAS

Strong 16-rib Paragon frame with Gemstone (tradename) handle on which we will engrave three initials without extra charge. Rayon and real silk mixture covers in plain or with border effects . . . colours of black, brown or blue. Each ....

3.89

Main Floor Yonge St.

★ Mayfair PEN AND PENCIL SET

Smooth, trim design, in green, grey, jet, burgundy and brown mottled finish. Medium and fine 14K gold nib. Set ....

1.98

Main Floor Albert St.

Eatonia PAKAWAY CASES

Inside aluminum hanger that takes four dresses, and pockets for shoes and jars, lining of rayon taffeta. Cover is black or brown "Fabrikoid" with ends bound in cowhide. Size about 21" x 17" x 7". Eatonia value, Each ...

11.50

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THE T. EATON C° LIMITED

The Nation's Business

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the United States and any industry which initially used Canada's surplus power (either on a firm or off-peak basis) would doubtless have access to the U.S. portion of that development, thus providing a possible future source of supply should the Canadian power be withdrawn.

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Tribute to Canada's National Publications

IN PAYING tribute last week to Col. J. B. Maclean and the organization he founded 50 years ago, Hon. Albert Matthews, Lieutenant-Governor of Ontario, spoke some well-deserved words of praise for Canada's national publications.

The occasion was a MacLean family Christmas tree party attended by some 1,000 members of the organization which now has over two score publications read by nearly three million readers. His Honor presented an illuminated address to Colonel Maclean signed by every member of the organization, and in doing so drew attention to the fact that Canada could never have achieved national unity without an "informed and enthusiastic people to make the best use of it."

"The people in the various provinces have many common interests but they are apt to be overlooked if there is not leadership of a broad statesmanlike character. We have such leaders in each province but it requires a national forum, a common meeting ground for discussion of the many problems which confront us. The national magazines and periodicals have done much to supply this need."

Canada was never more in need of national leadership than at the present time and it has been the constant aim of the organization of which The Financial Post is a part, to achieve the original objective outlined by Col. Maclean in his reply to the Lieutenant-Governor:

"Throughout these 50 years my object has been to make my papers instruments of Canadian unity. Through them I have consistently fought for those things which will bestow understanding, tolerance, goodwill, prosperity and happiness upon the people of this Dominion."

* * *

Saskatchewan's Tax Suggestions

THE brief presented recently to the Rowell Commission by Saskatchewan contains some important suggestions regarding taxation which deserve attention.

One proposal made, namely that the provinces should be granted powers of indirect taxation, should be opposed by every businessman. This would only increase the duplication of taxation that already exists in this country and would make possible the setting up of provincial trade barriers.

Similarly, the proposal to increase the powers of the provinces over Dominion incorporated companies is not a sound one. It is much better if control and power of taxation over these companies is retained by the Dominion, the distribution of revenues obtained therefrom being secured through assumption by the Dominion of certain fields of expenditures now with the provinces.

* * *

THE Saskatchewan proposal that the Dominion should have the sole power to levy income taxes and succession duties is commendable. It is pointed out that the Dominion can levy these two taxes much more effectively than can the provinces and that at the present time the provinces are faced with constitutional difficulties in enforcing the levies. Furthermore, assumption by the Dominion would reduce expense involved in collection and would eliminate a certain amount of overlapping, especially as regards succession duties. Just what would be done to compensate Ontario and Quebec for loss of these taxes remains to be seen.

Another proposal which should receive public support and is of great importance to businessmen is that the Dominion should be given exclusive jurisdiction over the taxing of corporations, the receipts from such taxation to be allocated among the provinces. This is not a specific recommendation, but it is suggested that consideration be given to the matter.

Businessmen know from experience that a substantial saving to governments and to the taxpayer would result if such a proposal was adopted. Furthermore, a great deal of duplication which exists in corporation taxation at present would be eliminated. Then, again, the cost and annoyance of having to make different returns to 10 different governments would be done away with.

* * *

Four Principles For Labor Legislation

SPEAKING in Chicago this week, Tom M. Girdler, chairman, Republic Steel Corporation, set down four suggestions as basic principles around which modern labor legislation should be formed. He stated these as follows:

1. Employees should have the free right to bargain collectively with their employers through representatives of their own choosing, without coercion from any source.

2. No employee should be forced to pay dues to a union.

3. All employees should be permitted to take a vote by secret ballot on whether or not they want to strike.

4. Responsibility of a union in any contract or agreement should be equal to the responsibility assumed by the employer.

Mr. Girdler is generally credited with being the man who stemmed the tide of C.I.O. lawlessness which swept the United States last summer. His views on labor and industrial relations were published in an exclusive interview with The Financial Post a few weeks ago during his visit to Toronto.

Mr. Girdler believes the famous Wagner Act in the U.S. must be revised so that "both parties to collective bargaining—employers as well as employees—will get a square deal." While his suggestions are made specifically with the U.S. legislation in mind they are of considerable interest to Canada where several provinces have equally advanced labor legislation either on their statute books or under consideration.

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Hydro Abandons Repudiation

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cycle power to the Commission's Niagara system at $12.50 per h.p. This will be increased by 20,000 h.p. on Nov. 1, 1938, and by similar amounts on Nov. 1, 1940 and 1944, bringing ultimate deliveries by Maclaren-Quebec to 100,000 h.p. The new contract expires on Oct. 31, 1970.

The original contract with Maclaren-Quebec called for maximum deliveries of 125,000 h.p. at $15 per h.p. to be reached by Nov. 1, 1936.

Gatineau Keeps Reserve Pay

The contract just arranged with Gatineau Power Co. also provides for a price of $12.50 per h.p. and ends on Nov. 30, 1970. Gatineau has been paid, under a contract expiring Nov. 1, 1945, at the following rates for delivered and reserve power:

Niagara System (25-cycle):
140,000 h.p. at $12.50 per h.p.
33,000 h.p. at $10 per h.p.
87,000 h.p. at $1.75 per h.p.
Eastern Ontario System (60-cycle):
42,000 h.p. at $12.50 per h.p.
9,000 h.p. at $10 per h.p.
9,000 h.p. at $1.75 per h.p.

On Dec. 13, 1937, the Commission accepted delivery of an additional 25,000 h.p. of 25-cycle power from Gatineau. On Nov. 1, 1938, another 35,000 h.p. will be taken, with the final block of 60,000 h.p. of 25-cycle power to be accepted on Nov. 1, 1939. The 18,000 h.p. of 60-cycle power now held under reserve by Gatineau is to be delivered to the eastern Ontario system on Nov. 1, 1938.

Gatineau is the only company to be paid for power held in reserve for the Commission. The new contract will continue the payments at $10 per h.p. for immediate reserve and $1.75 per h.p. for general reserve until these are absorbed under the provisions for increased deliveries. These increases will come first from the general reserve until that is absorbed and then from the immediate reserve until all power is taken, when the flat rate of $12.50 per h.p. will apply to all Gatineau power.

Increase Until 1944

Giving effect to the annual increases and to the immediate delivery of power from Gatineau and Beauharnois, power deliveries by Quebec companies to the Niagara system will increase to 1944 when maximum deliveries will be reached.

Deliveries of 25-cycle Power

	Ottawa Valley h.p.	Gatineau h.p.	Beauharnois h.p.	Maclaren h.p.	Total h.p.
1937	96,000	165,000	125,000	40,000	426,000
1938	96,000	200,000	150,000	60,000	506,000
1939	96,000	260,000	150,000	60,000	566,000
1940	96,000	260,000	150,000	80,000	586,000
1941	96,000	260,000	200,000	80,000	636,000
1942	96,000	260,000	225,000	80,000	665,000
1943	96,000	260,000	250,000	80,000	686,000
1944	96,000	260,000	250,000	100,000	706,000

How Big a Reserve?

How close was the Niagara system to an actual power shortage before the new contracts were completed? The answer to this question seems to depend on the basis used for a calculation. Hydro officials state that 30,000 h.p. was needed to fill peak requirements right now, with a minimum margin of reserve to meet potential emergencies. Then they maintain that an edequate reserve for emergencies should be at least 10% of the system's peak load. Their experience has shown that an average annual growth in power load of 7% must be allowed for. For a period during the depression, this rate of growth was slowed up, but for the past two or three years this indicated rate has been resumed. Calculated on this basis Hydro officials estimate the cumulative increases in power supply required, and the surplus that will be left, as follows:

	Estimated cumulative annual increase needed* h.p.	Surplus power available h.p.
1937	30,000	120,000
1938	100,000	130,000
1939	170,000	120,000
1940	240,000	65,000

*To provide for estimated growth in peak load at 7% rate, plus a maximum margin of reserve.

Potential Shortage of 30,000 H.P.

The actual peak load for this month in the Niagara system is understood to be running under 1,100,000 h.p., but previous estimates have set the anticipated peak for the month (and the year) at 1,111,000 h.p. It is further calculated that a combination of emergencies, such as sudden jumps in demand or accidental breakdown of power sources, might increase this load to 1,186,000 h.p. Prior to the making of the present new contracts, the total of firm power resources available — both produced and purchased — was calculated at 1,156,000 h.p.

This left a potential shortage of 30,000 h.p. between resources available and the total of estimated actual peak load plus the increase in demand resulting from an emergency situation. As the extra deliveries from Gatineau and Beauharnois this week totalled 150,000 h.p., Hydro is ahead by 120,000 h.p. of its estimated gross requirements for peak load plus emergency reserve. This surplus reserve will, of course, be diminished by growth in peak load demand resulting next year.

What About Exports?

Another point to be considered in computing the available reserves is the possibility of power exports to the United States. The official statement from the Commission sets forth:

"The cost of this reserve power will be largely eliminated if permission can be obtained from the federal authorities for the export of 90,000 h.p. of available power from these contracts to consumers at prices advantageous to the Commission under a yearly export arrangement."

At the time this announcement was made, it is understood that no contracts with New York power consumers had been completed, but that negotiations had proceeded far enough to make reasonably sure that, always providing permission can be secured from the Dominion, two contracts could be arranged. One of these is for 40,000 h.p. This contract would provide for export of firm power under a five-year contract, subject to obtaining yearly export licenses.

An interesting point in connection with the larger amount of surplus power which will now be available is that ready sale can be found for this power under contracts whereby it would be recallable at will. Revenue from such sales is lower than for ordinary firm power and may not average more than $2 to $3 per h.p., but they would lower the cost of maintaining reserves substantially in excess of prospective actual power requirements.

Can Handle Increases to 1971

Information obtained from Hydro officials now shows that they do not anticipate any need for another transmission line before 1941 at the earliest. At present there is a two-circuit line from Beauharnois to connect with the line from Maclaren-Quebec, near Masson, and from there to Chats Falls. This line will handle requirements until 1940 when it might be necessary to double the section from Masson to Chats Falls. This, of course, makes no allowance for the possible export of up to 90,000 h.p. of Beauharnois power which would relieve the lines.

From Chats Falls to Leaside, there are three circuits at present. By the fall of 1939 there will be 590,000 h.p. to come over these 220,000-volt lines. Up to this mount, the present equipment at the main Leaside substation could handle the load.

It is stated officially that operating efficiency could be maintained on the three-circuit line to Chats Falls while carrying up to a maximum of between 600,000 h.p. and 700,000 h.p., which would care for increased deliveries to 1941. Technical improvements in such necessary equipment as relays, cut-outs and other line accessories now installed have been such as to permit the lines carrying a substantially higher load than originally planned. From an operating standpoint.

Total cost of building a fourth circuit from Chats Falls, or such other point near the Quebec boundary as might be selected, is estimated by the Commission at $11 millions. This amount includes the $3 millions now being spent on the Leaside transformer station and on feeder lines around Toronto. Hydro already has sufficient steel towers stored for 100 miles of any new line they may have to build and much of the needed right-of-way.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Toronto	Dec. ..	Dominion Securities and Syndicate	2¼%	1938-42	$2,438,000	100.52	2.07%
Toronto Harbor Commissioners	Dec. ..	Fairclough & Co., Burns Bros. & Co.	3½%	1947	650,000	101.87	3.28%
Port Colborne, Ont.	Dec. ..	Gairdner & Co.	3½%	5 ins.	20,000	....	....
Saint John, N.B.	Dec. ..	W. C. Pitfield & Co. and Syndicate	3½%	5-yr. ser.	18,200	100.25	....
District of Oak Bay, B.C.	Dec. ..	Locally	4%	1948	35,000	....	....
Provincial—	**Date Sold**	**Sold to**	**Rate**	**Due**	**Amount**	**Price**	**Yield**
Nova Scotia	Dec. ..	Wood, Gundy & Co. and Syndicate	3½%	1949	$5,135,000	*98.75	3.62%
Dominion—							
Canada Treasury Bills	Dec. ..	....	....	....	$25,000,000	99.812	0.761%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Roman Catholic Episcopal Corp. of Ottawa	Dec. ..	Comptoir National De Placement	4%	1938-57	$74,000	....	....
Stock Issues—	**Date Issued**	**Sold to**	**Rate**	**Due**	**Amount**	**Price**	**Yield**
Zellers, Ltd.	Dec. ..	Greenshields & Co.	6%	Pref.	8,300 shs.	†50,000	....
			...	Com.	25,000 shs.		....

* Offering price. † Per unit of 1 share of preferred and 3 shares of common stock.

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Notice to Holders of Trenton Debentures

All holders of past due debentures are hereby advised that the Corporation of the Town of Trenton will be prepared to honour its obligation on December 31st, 1937, in full through THE BANK OF MONTREAL, Trenton.

Simple interest at the debenture rate will be paid on overdue principal to the date of payment, but interest will not accrue on the said debentures after December 31st, 1937.

Debenture holders are required to forward the same immediately and before December 30th, 1937, to THE BANK OF MONTREAL, Trenton, Ontario.

W. J. POTTS,
Treasurer,
Town of Trenton

TRENTON, Ontario, December 15th, 1937.

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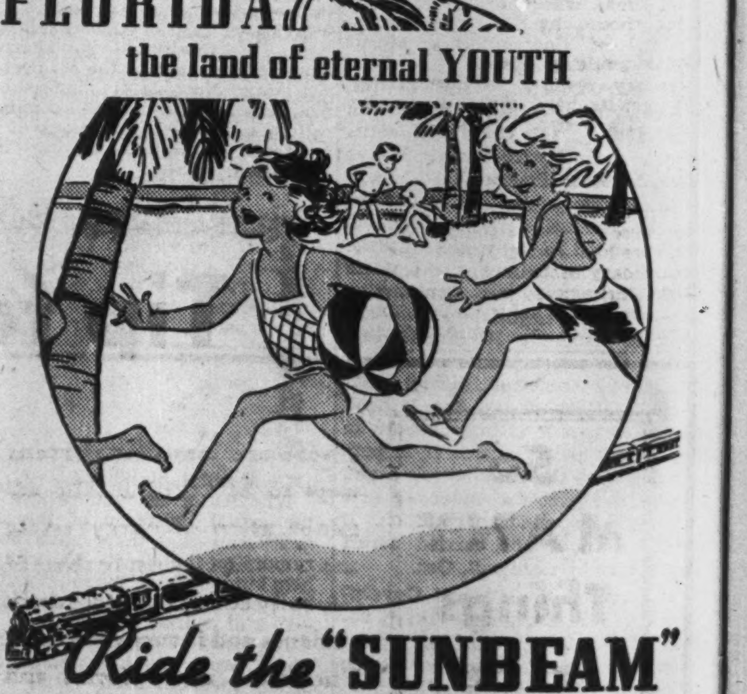

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HORE BELISHA

by Atticus

VISCOUNT GORT

The Famous Composer Who Hates Music; the Serious Jester Shocking Parliament; The Belisha Broom in the War Office

LONDON.—Where does one begin in garnering the harvest of last week's personalities? Shall we start at the War Office where so many honorable careers have come so drastically to a close? Shall we look in at Westminster, where human values are always changing or shall we turn to the Arts, like the Queen who attended a symphonic concert and the opera on successive nights last week?

There is nothing feigned about Her Majesty's love of music. She plays the piano and is genuinely moved by "concourse of sweet sound." Music has not had many crumbs from the Palace for a long time. King Edward VII liked the Opera, especially La Boheme and thus added glitter to the great days of Covent Garden. King George and Queen Mary had no enthusiasm for it. Their box was almost invariably filled by members of the household. On the rare occasions that Their Majesties attended there was no rapturous surrender on their part to the voluptuous delights of the music drama.

King Edward VIII definitely disliked all forms of classical music so that more than ever music ceased to be fashionable. It is true that society writers still discussed tiaras at Covent Garden but after the opening night when it recovered its glory for a moment like a faded beauty who encounters a forgotten admirer, it was supported mostly by people who have never inspired a paragraph or a photograph and had come merely to enjoy the singers and the orchestra.

I was particularly glad that Her Majesty went to Queen's Hall for the British evening of Walton and Ireland. Sir Thomas Beecham told me not long ago that the new school of British composition outdistances any other in the world beyond even a comparison. "Every nation knows that, but England," remarked Sir Thomas. "In New York I have conducted British nights which are just as popular as these interminable Wagner nights over here. But then New York is civilized—musically I mean."

* * *

Composer Hates Music

William Walton reminds me of that excellent if ancient story of the violinist who played through a concerto with superb artistry but the most agonizing grimaces. When asked for an explanation by the conductor, he replied: "I hate music!" Walton hates composing. It is a labor of agony and sweat to him. Nor can he, like Beecham, Bruno Walter, Sargent and Landon Ronald turn lovingly to the piano for recreation or reverie. He plays abominably as if the keys were spikes.

However, just as in literature, it is accepted that "hard writing makes easy reading." Walton's recent symphonic works have a fiery abandon that sounds as if he splashed the notes upon his manuscript with a dripping brush. His instinct for orchestration is extraordinary. Even if his work the other night based on "London" gave the suggestion of gleaming minarets and barbaric moonlight revelries it was a most brilliant and high spirited affair altogether. But I must not ascend to music criticism. Newman makes cowards of us all.

Walton was born in Bolton some 35 years ago, his father being a professor of music and his mother a singer. In London he lives with the Sitwells and has come to look and talk like them. His earnings have now almost reached the level of an unfashionable steeplechase jockey. In one year his "Belshazzar's Feast," also performed the other night, brought him in £180. Against that he has the satisfaction of being the only Englishman who had four compositions chosen by the International Festival of Contemporary Music. Walton smiles philosophically at the monetary rewards of composition. "If I get too hard up I could try my hand at a foxtrot," he says.

* * *

The Serious Jester

Perhaps A. P. Herbert will take up the cause of British composers. It is time we had a fresh look at this extraordinary backbencher who, in his first Parliament, has achieved a position of influence that is almost unprecedented. His Maiden Speech was bad. His style was poor, his delivery being jerky and the ends of his sentences disappearing into his boots. Now he speaks much more smoothly and his voice is learning how to sustain his words to the end. Perhaps the most interesting thing about the member for Oxford Universities is the conflict within himself. He is desperately serious but cannot hide from himself the absurdity of seriousness. By profession and inclination he is a humorist but as a jester his humor is curbed by the realization of the essential seriousness of life. Thus we have a crusader with a cap and bells, a Hamlet fitted out like Touchstone. This disconcerting duality achieved its climax last week when in his resentment against the Government's "Paul Pry" Bill Mr. Herbert delivered the most bawdy speech in the memory of the House. It would be false to state that he indulged in the double entendre. The exuberant vulgarity of the Elizabethan days was not more frank than the jokes and allusion of the Oxford member. I must confess I found myself in some sympathy with the Socialist speaker who remarked that Oxford University had sent a loose box comedian to Westminster.

Yet that would be a superficial verdict. Herbert's speech was strictly in order. Since the Government desired to know the innermost secrets of married life he would demonstrate the unreliability and the inadequacy of such an inquisition by supplying the information first hand. His whole speech was a justification of William Hazlitt's observation: "If a person has no delicacy he has you in his power." Herbert played ducks and drakes with the whole House and, to be fair, struck a mortal blow against the Bill. At the same time he would do well to ponder over the difference between a jester and a loose box comedian—whatever that may be. We do not want our most conscientious social reformer to lose caste through excessive zeal in proving his point.

* * *

Lady Davidson

Just before Mr. Herbert took the floor Lady Davidson delivered a successful and charming Maiden Speech. Nothing illustrates the infinite variety of the feminine more than the ladies who grace our councils at Westminster. Miss Rathbone gives the impression that she would like to send most of the Front Bench to the guillotine, Miss Ellen Wilkinson is moved to ironic laughter at the mere spectacle of so many Conservatives in one place. Miss Irene Ward is sweetly and persistently womanly and refuses to let a subject drop. Lady Astor's manner implies the wish that no one will notice how smartly she is dressed because she is really a serious politician. Mrs. Tate with her attractive features and black-brown hair almost pleads to be accepted as earnestly as if she were plain. Miss Lloyd George enjoys the House and is content that she is her father's daughter.

Lady Davidson is perhaps the most feminine of them all. On unimpeachable authority I have it that she wore for her Maiden Speech "a short sleeved frock and a white collar." These items I failed to notice but do not deny their existence. What I liked most was the crystal tone of her voice and the friendly way her auburn haired head inclined forward as if to meet the world more than half way.

While this was her Maiden Speech Lady Davidson brings to the House an intimate knowledge of politics behind the scenes over a long period. Her husband "J.C.C." was "keeper of the Premier's secrets" in two régimes and he found in his wife a colleague whom he could consult with benefit to himself and safety to the realm. It was good to see Viscount Davidson and Lady Davidson's father, Lord Dickinson, sitting in the gallery and unashamedly proud of her first parliamentary effort. Altogether a happy incident and one that pleased the entire House.

* * *

The Belisha Broom

No one will begrudge Mr. Hore Belisha the triumph of his audacity or fail to wish Viscount Gort and his colleagues a dazzling success at the War Office. Yet there must be a passing regret that Sir Cyril Deverell and his associates who had expressed their willingness some time ago to retire and make room for younger men should have to go in a manner which suggests that the Minister had sacked the lot.

However, the army is what matters and there is no time for elegies or recriminations. Just as Mr. Churchill fastened on David Beatty as a future Commander-in-Chief of the Navy so Mr. Hore Belisha fell under the spell of the vigour and purposefulness of Viscount Gort. Their first meeting is supposed to have been in Switzerland but it is no secret that recently they have been much together and that Viscount Gort's ideas played a considerable part in the Minister's decision. Certainly the army could ask for no better chief.

Rewards were not given lightly to the Brigade in the war. There was a magnificent snobbery in the assumption that a Guardsman always gave of his best and could give no more. Therefore bravery could never be regarded as unusual. For an officer of the Brigade to win the V.C., a triple D.S.O. and the M.C. as Lord Gort did is to realize that here is a man whose war record is an epic. Nor are his interests confined solely to the army. As a qualified air pilot he will bring a sympathetic understanding to the Air Force and as a yachtsman he will have at least more knowledge of the sea than the famous Sir Joseph Porter who ruled the Queen's Navee.

The whole incident of the changeover at the War Office is intensely dramatic. It not only focuses the limelight with a pitiless glare upon Viscount Gort's future but it elevates Mr. Hore Belisha to a high tactical place in the hierarchy of the Cabinet. Success and success alone will justify them. They can never look back.

* * *

Sir John Alcock

May I thank the many readers of this column who wrote last week to tell me the whereabouts of Sir John Alcock's grave? If my ignorance was not easily excusable I would plead that it is shared by far too many of our fellow countrymen.

Nor has Manchester allowed this pioneer of Atlantic flying to sleep in such complete obscurity as I imagined. There is apparently a bronze tablet in the Council Chamber of the Town Hall showing the two flyers, their airplane and the facts of their flight. Alcock's grave is in the Southern Cemetery of Manchester and has at its foot an airplane propeller in stone.

I am grateful for this information but cannot feel that Manchester's remembrance excuses the indifference of the nation at large. London should remove a reproach from herself as the capital of the Empire by erecting a suitable memorial to this great pioneer feat of science and gallantry.

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Power Export Gains Support

(Continued from page 1)

the Government is in favor of permitting power export in accordance with a policy of limitations.

Safeguards for Export

The three-point policy upon which it is now being urged in Cabinet circles that export of power should be allowed is as follows:

(1) The power shall be definitely "surplus power."

(2) It shall be sold upon a year to year basis, with the strict understanding on the part of both the American purchasers and the Washington Government that there shall be no implied contract to renew the sale agreement if, at any time, it should so develop that Canada needed the power for her own domestic uses.

(3) Parliament shall ratify every export permit granted.

It is conceded in impartial circles that there is an argument in favor of the export of power. Briefly expressed, it is simply this: a surplus of power exists in Quebec and Ontario at the present time; there is no assurance that a market for it will develop in the immediate years to come; why not, therefore, sell it where there is a market?

Ottawa Objections

What are the objections which Federal circles foresee in a power export policy?

First it is contended that such a policy would delay the St. Lawrence development project. The Federal authorities have always believed—although they have kept their own counsel on the matter—that the United States would be compelled to come into the St. Lawrence development scheme under the pressure of obtaining the power that it will generate. The Federal authorities have counted, furthermore, upon driving a good bargain with the Republic on the grounds that its need for the prospective power will be urgent, while Canada will be under no similar necessity.

If a policy of power export is adopted, however, any likelihood of United States generosity in connection with the St. Lawrence project is seen on Parliament Hill as indefinitely postponed. The ultimate capacity of the Beauharnois development alone is 2,000,000 horsepower, of which only 500,000 horsepower is developed at present.

There is also criticism of the stipulations to safeguard the Dominion's interests.

In the first place, there is the difficulty of defining what is "surplus power." Is any power for which a domestic market does not exist at the immediate moment to be placed in that category? Certainly if this principle had been adopted not so very many years ago, the bulk of the power which Canadian industry is now using would have been so classed.

Furthermore, Federal power authorities do not hesitate to characterize the suggestion of selling Canadian power to American interests on a year-to-year basis as not only impractical but also as impossible. Power is sold to turn the wheels of industry or to light the homes of a city. These purposes continue to exist from year to year and once the current is supplied it cannot be discontinued without provoking protest.

Political Aspect

Finally, there is the political aspect of a power export policy. The existing attitude of prohibition of export goes back to the days of Sir Wilfrid Laurier, with the exception of certain contracts for "off peak" power which have been made from time to time. On the whole, it is a policy which is conceded to have served the Dominion well. That it has been a factor in developing within Canada some of the country's leading industries—the pulp and paper enterprise is cited as an example—is generally recognized.

Stratford, Ont.—Mayor Henry expects the city to show a surplus this year, and if the one mill subsidy plan is continued by the Ontario Government in 1938, the full amount could be passed on to the taxpayers.

Nat. Grocers Payment Seen For Common

Dividend Next Summer Likely if Plan is Approved

It is probable that National Grocers Co. will pay its first common dividends early next summer, if present proposals are passed by shareholders when they meet in Toronto on Jan. 4, 1938.

As forecast in The Financial Post last week the new plan calls for the settlement of preferred dividend arrears, which amount to $26.25 per share. A cash payment of $4 will be made, and rights issued to buy new common shares at $1 on the basis of three new common for each preferred held. As the common is selling around $7.50 a share, preferred shareholders at present prices for the common would receive somewhat less in cash and stock than their present claim for arrears.

Dividends Made Possible

At present no common dividends may be paid until 10% of the previous fiscal year's earnings available for that purpose have been placed each year in a sinking fund for the redemption of preferred shares. No such allocation has yet been possible.

It is therefore proposed to postpone sinking fund payments until June 1, 1939, and if this plan is approved the company will be able to pay common dividends as soon as the management considers it advisable. In the year ended March 31, 1937, net profits available for the common, after one year's preferred dividend, amounted to $1.16 per share outstanding at the close of the period, or 89 cents per share on the amount to be outstanding if the rights are issued and all taken up.

Sales this year have been well maintained.

No change is being made in the clause requiring that earned surplus be equal to three years' preferred dividend requirements before any payment is made on the common. Surplus at the end of the 1936-7 year amounted to $1.1 million, $488,300 more than the required reserve. There is thus a distributable surplus of $1.65 per present common share, or $1.28 per share including those about to be offered.

Non-redemption Clause

The plan further provides that the preferred shares shall not be redeemed until April, 1943. They are now redeemable at 110, which is 18 points below the present market.

Critics claim that the present 7% preferred issue could probably be refunded with a 5% or 5½% stock long before 1943, and that such postponement would accordingly favor the preferred at the expense of the common. Some also object to continuation of the three-years' dividend clause, calling it an unnecessary protection.

Other observers, however, point out that preferred shareholders are being offered less in cash and rights than the amount of arrears, and that such a delay in refunding would simply be a further compensation for the surrender of their claims.

An unusual feature is provided by the new sinking fund requirements, in that from 1939 to 1943 the funds so allocated may be used by the company in its general business. It will not be necessary to set aside cash or securities in a special fund, and the sinking fund will, in effect, simply increase that portion of surplus which is not distributable to the common shareholders.

As 295,854 of the 300,000 authorized common shares are now outstanding, 100,000 additional shares will be created to take care of the rights. The latter will be issued in the form of subscription warrants, may be either in bearer or registered form, and may be transferable or divisible.

The preferred stock was originally only a second preferred issue, distributed to the former owners of the companies which entered the National Grocers merger. It is understood that large amounts are still held by the original owners. The former 8% first preferred issue was redeemed in 1931.

Will Present Merger Plan to Provinces

(Continued from page 1)

competent body will carry great weight with the people."

Mr. Bracken expressed the opinion that immediate economies would not be as great as many people think, but that savings would increase with time. He admitted that there are many practical difficulties to be overcome and that mutual concessions would have to be made which would arouse local opposition.

The opinion of various department heads as regards existing duplication and overlapping of services as between the Dominion and the provinces is also being sought. Evidence given in Winnipeg indicated that provincial department heads do not feel that there is a great deal of overlapping at present, although it was admitted that in some instances there should be greater co-operation between the two governments. The Saskatchewan brief also expresses the opinion that only minor savings can be made in this direction.

An analysis of the Saskatchewan brief to the Commission and other details of the Rowell Commission investigation will be found on pages 13, 15 and 16.

Intercolonial Coal Co. Pays $2 Bonus Per Share

MONTREAL.—Intercolonial Coal Co. has declared a bonus of $2 a share in addition to the semi-annual dividend of $3 a share, both dividends payable Jan. 3 to shareholders of record Dec. 21.

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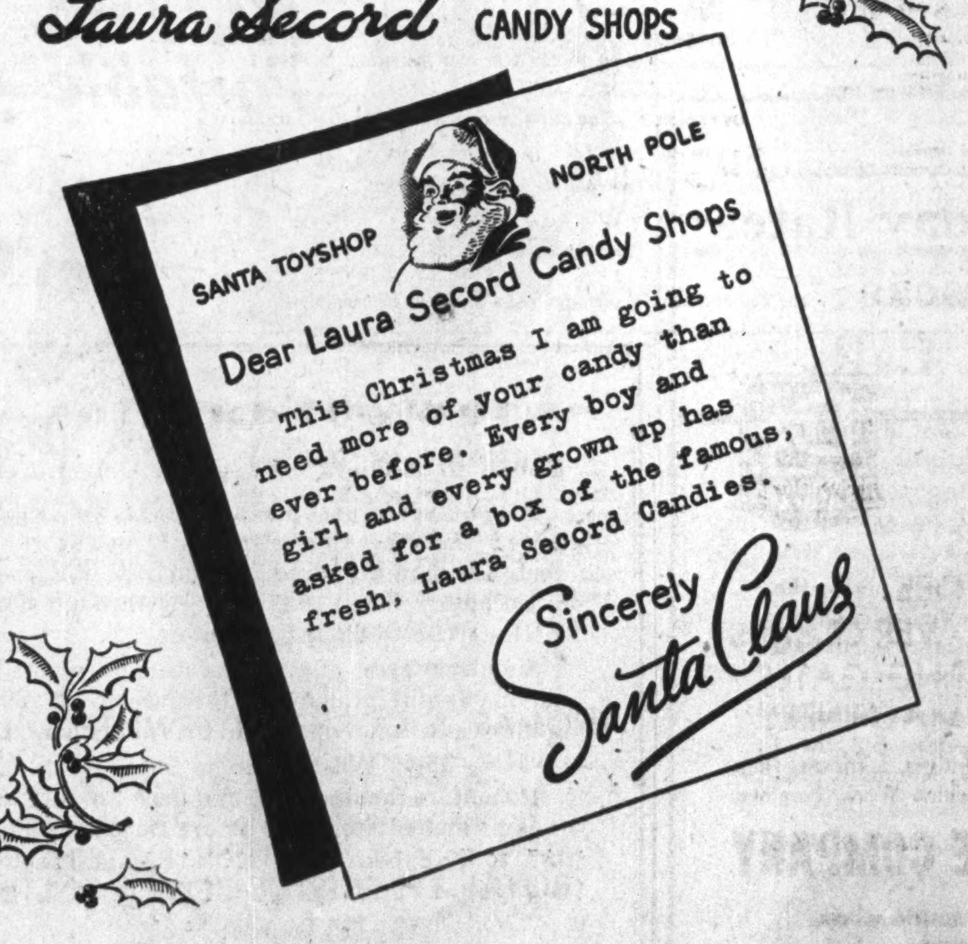

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G—"Elizabeth Arden" travel case in black or brown fabricord, fitted with various beauty aids. At $33. (Others $13 to $165.)

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Investment Trends

Analyst Still Uncertain Bottom Has Been Hit

Extent of 1937 Slump Measured by Record of Averages Shows Consumer Industries Suffer Least

Jogging along in the "trading range" or "line formation," established in the past two months, stock markets are now feeling the added influence toward inactivity that almost invariably comes with the Christmas and New Year holidays. Another month or two may pass before the probable trend of stock prices for 1938 will be clarified.

One stock market analyst, Robert Rhea of Denver, comments that the secondary phase of the current declining market has now been completed. The third phase may lead to a reversal of the month-to-month trend to an upward direction, but the question is to determine whether it will first carry prices lower. Mr. Rhea's interpretation of the probable price trends this year have been accurate, so his feeling that the downward trend has not yet run its full course cannot be disregarded, even though any further decline may be of smaller proportions than the severe slump of the past nine months.

There is considerable opinion among suppliers that Canadian retailers have been rather fully stocked with merchandise for the Christmas season, and that spring buying may therefore not show improvement. On the other hand, recent cold weather has resulted in sharply increased volume in seasonal lines, and the more efficient retailers appear to have inventories in healthy condition.

* * *

Variations of Slump

There are usually investment lessons to learn from analysis of the proportions of advances and declines in prices of securities, and this is particularly true of such a marked recession of share prices as has been witnessed in 1937. The record of the principal common stock groups in Canada, as shown by calculations from records of the Dominion Bureau of Statistics, is as follows:

Declines of Stock Groups
(Dominion Bureau, 1926=100)

Groups:	1937 Indices Highest Monthly	As at Dec. 2	Decline %
Textiles	80.2	66.0	17.7
Banks	96.7	78.4	18.9
Beverages ...	141.8	113.3	20.1
Foodstuffs ...	190.0	151.5	20.3
Oils (distrib.)	247.7	190.0	23.3
Utilities	73.1	48.4	33.8
Flour milling.	127.0	81.7	36.5
Machinery ...	168.3	104.1	38.7
Bldg. mater. .	213.4	128.4	39.9
Pulp paper ..	47.1	20.1	57.3
Total	147.2	101.4	31.8

The percentage declines tell the old story: That shares in the more erratic industries offer the greatest possibilities of loss, just as they offer at times the best chances of enhancement in value.

Special conditions surround the industrial groups in which stocks have suffered the most severe declines. In flour milling, for instance, there are especially adverse conditions for the export trade, and thus an industry which might be expected to be stable in activity has had a considerable reverse. In machinery and building materials there was considerable optimistic speculation early this year based on hopes of extension of marked recovery to the capital goods industries. The hopes were partially dashed.

The story of the recession in pulp and paper shares could be spun out to great length. It is sufficient to say that the close affinity of the business with American conditions, which have been less favorable than those in Canada, accounts for much of the shock to investors and speculators.

As is often the case, when a turnabout comes in the price trend for stocks, it may be that the shares that have suffered the worst will recover the best.

* * *

Measure for Prices

Out of this year's decline of stocks may be drawn one of the simple rules of investment that is too often forgotten: The true worth of common stocks for investment depends largely upon the return on the price paid, in relation to gilt-edged bond yields.

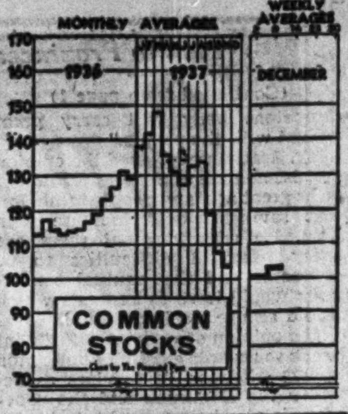
If gilt-edged Government bonds are available to return only 3%, there are attractions in well-tested stocks that will return 5-6%. It is more questionable whether there are real attractions in the best of stocks if they return only 4% when Government bonds can be bought to return 3½%.

There should be very good reason indeed for buying stocks to return any lower yield, or even the same yield, that is available from Government bonds. Usually there should be better reasons for selling stocks in such circumstances.

* * *

The Abitibi Case

Bonds and preferred shares of Abitibi Power & Paper Co. have receded to the levels that prevailed before development last spring of more optimistic expectations for the company as a major unit in the pulp and paper industry. The question that arises is whether the senior securities are not relatively attractive on the reduced price basis, despite the unfavorable features of the statistical position of newsprint stocks. One of the least favorable factors in the Abitibi situation is that there still remains a prospect of delay before the company is reorganized, yet it was apparent last spring that there would be such delay. There can be little doubt that early announcement of a $50 price for newsprint in 1938 caused a good deal of the expansion of supplies of paper. And maintenance of the 1937 rate of consumption depends on resumption of the American business recovery. The reasoned conclusion is hard to avoid, however, that it is better in the long run to probe into newsprint securities at reduced prices with one's eyes opened than to rush into them at the top floor wearing rose-tinted spectacles.



Granite Club Earnings Cover Mortgage Interest

Operating profit of Granite Club Ltd. in the year ended Oct. 31, 1937 was $40,729, and net earnings after interest and depreciation amounted $1,845.

F. H. Littlefield in the annual report states that the company's capital debt has now been reduced to $292,033, made up of first mortgage $215,000, accrued interest $5,913, and bank loans $71,121. The bank loans are expected to be materially reduced during the next six to eight months. Profit and loss figures for the year follow:

Profit and Loss Account
Year Ending Oct. 31

	1937 $
Operating profit	40,729
Less: Interest charges	13,884
Depreciation	25,000
Net profit	1,885
Surplus Oct. 31, 1936	27,956
Balance forward	29,811
Working Capital	
Current assets	22,405
Current liabilities	*88,934
Excess of current liabilities over current assets	66,529

*Including bank loans of $71,846, originated in the process of refunding previous mortgages on the property.

Canada Dry Net Shows Increase

Liquor Sales Increase 60%—Cash Position is Stronger

Net profits of $1.19 a share are reported by Canada Dry Ginger Ale, Inc., for the year ended Sept. 30, 1937, compared with 35 cents in the previous year. Sales increased $5.9 millions and costs of goods sold rose $4.2 millions.

Working capital increased to $4.1 millions at the end of the period, partially due to the sale of 102,526 new shares, proceeds of which amounted to $1.5 million. Working capital a year previous was $2.4 millions.

It is stated in the annual report by R. W. Moore, president, that the company is building a plant at Mount Vernon, N.Y., to serve the New York market, and expects to be operating at Dallas, Texas, early in 1938. During the year the Atlanta plant, formerly under lease, was purchased for $115,000.

Sales of spirituous liquors increased 60% during the year, with a corresponding increase in gross profits. Development of the export market has continued, particularly through the use of new type extracts, and as several new contracts were made during the year, this phase of operations should continue to show growth.

Comparative profit and loss figures follow:

Consolidated Income and Surplus Account
Years Ended Sept. 30

	1937 $	1936 $
Gross sales	14,863,458	8,924,323
Less: Cost of goods sold	13,666,346	9,507,119
Net operating profit ..	1,197,112	457,204
Add: Other income† .	129,442	102,588
Gross earnings	1,326,554	559,792
Less: Misc. deductions	104,024	109,603
Net earnings	1,222,530	450,189
Less: Depreciation ...	242,069	207,281
Income taxes, estim.	149,859	60,508
Surtax on undis. prof.	100,128	......
Net profit and surp. for year	730,474	182,400
Add: Prev. surplus ..	4,784,923	4,646,261
Trans. from surplus	42,454	11,262
Less: Mort. rec. w/o .	999,999	......
Prov. for conting. ..	......	55,000
Prov for loss on beer cases and bottles .	88,000	......
Prov. for loss on cases	274,273	......
Pr. yr. inc. tax adj.	14,979	......
Trans. to cap. surp.	424,702	......
Balance forward	3,755,898	4,784,923
Working Capital		
Current assets	5,235,703	3,264,897
Current liabilities	1,155,349	981,042
Working capital	4,080,354	2,283,855

Investment Foundation Makes Payment on Arrears

From Our Own Correspondent

MONTREAL.—Investment Foundation, in addition to a regular quarterly dividend of 50 cents a share, has declared a dividend of 50 cents on account of arrears, both payable Jan. 15 to shareholders of record Jan. 1. This compares with $1.50 paid on account of arrears on Jan. 15 last and 25 cents paid with the last previous quarterly dividend in October. Following the October payment the stock was $5.75 in arrears.

Change in Directors

From Our Own Correspondent

MONTREAL.—A. K. Leitch has resigned as director of the Anglo-Canadian Development and Holding Co. and is succeeded by J. G. Gemmell.

Investment Notes

Hamilton Bridge—In line with earlier estimates by The Financial Post it is believed net profits may work out somewhere above those for 1931, when $6.58 per share was earned on the preferred and one cent per share on common. Sales are expected to be about 60% above 1936. Some slackening in business has been noticed recently, but there is a possibility of important contracts next year.

* * *

Supersilk Hosiery Mills—It is understood that the company's sales volume will exceed the $1 million forecast in September. The company has been taking advantage of the opportunity offered to reduce its liability with regard to preferred arrears by buying arrears certificates which have a nominal market around $7 to $8 per certificate, representing arrears of $17.50 a share Originally issued to the amount of about $85,000, it is believed they have been reduced to around $70,000.

* * *

Robert Mitchell—Expectations are that the company's financial statement this year will show an operating profit for the first time in six years. It is understood that surplus income will be charged off to depreciation reserve.

* * *

Canada Cement—The financial statement for the year ended November last will make its appearance about the middle of the month. A further improvement in earnings is expected, especially on the preferred stock which is now paying a dividend of $4 a share.

* * *

Simpsons Ltd.—Total sales for the first three weeks of November were ahead of last year, and better than 1929, or any year since. October sales were the best since 1930, being 6% ahead of 1936. December business last year, continues C. L. Burton, president, in an official statement, was substantially ahead of the previous year, and the budget this year contemplates a further increase. Except for luxury business, he adds, it will probably be realized.

* * *

Biltmore Hats—Annual statement, due very soon, is expected to show net profit for the year ended Nov. 30 at slightly over $1 per common share, according to a bulletin by Stewart, McNair & Co., members of The Toronto Stock Exchange. Based on the present stock, which was split four for one early in the present fiscal year, net profit last year was $1.18 per share on the common Labor costs are understood to be higher, but selling prices have been increased to some extent. It is believed working capital has improved over the $392,012 shown at the end of last year.

* * *

S.E.C. summary of security transactions for October shows the following items involving companies with Canadian interest:

* * *

Dome Mines Ltd.—Jules S. Bache, president, holds 32,300 shares directly and through Richmill Bahamas Co. in which his proportionate interest is not shown, decreased holdings 1,500 shares to 45,600; Frank E. Maulson, director, purchased 100 shares, holding 1,500.

* * *

Canada Dry Ginger Ale—H. M. Cubberly, vice-president, acquired 100 shares common; James M. Mathes, vice-president, holds none directly but through a holding company, Jarumaha and Company holds 3,900 shares and through Jaruth Inc., decreased holdings 2,300 shares to 120; Roy W. Moore, president, increased holdings by 300 shares to 420.

Howe Sound Co.—Evander B. Schley, director, acquired 100 shares bringing his holdings to 18,976.

International Mining—Scott Turner, vice-president, acquired 100 shares bringing his holdings to 300

International Paper & Power—David T. Layman, Jr., director, holds 9,638 new common shares and 14,156 warrants and increased his holdings of $5 preferred from 500 shares to 700.

International Utilities Corp.—American Equities Co. increased holdings of class A stock by 100 shares to 17,708 and holds 336 warrants for class B; also holds 15 $7 prior preferred shares and 10,066 $3.50 prior preferred and increased $1.75 preferred by 500 shares to 10,732.

Hiram Walker-G. & W. Ltd.—B E Ford, officer, held 50 shares of common in September; Leigh M. McCarthy, director, increased holdings of common 200 shares to 1,500; Howard R. Walton, director, increased holdings of common 50 shares to 100.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip 8	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied prod. 13	Beverages 7	Bldg mater. 14	Power and traction 15	Banks 9	Total utilities 19	Total co's 96
1929-36:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	205.4	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1937:												
Jan.	156.3	37.2	119.6	229.6	77.3	184.2	141.0	197.0	91.1	94.4	68.5	137.4
Feb.	163.4	36.7	120.7	235.2	78.5	188.2	139.3	203.5	97.5	96.7	73.1	142.4
Mar.	168.3	40.2	127.0	247.7	80.2	190.0	141.8	213.4	94.7	95.9	71.0	147.2
Apr.	157.5	47.1	117.4	230.4	79.9	182.4	133.4	204.8	85.1	94.0	64.1	136.2
May	151.3	38.5	109.4	229.6	77.5	178.5	128.4	188.4	84.0	92.7	63.0	132.2
June	148.1	38.2	103.7	220.2	78.7	177.7	131.0	179.6	84.1	92.3	63.2	129.4
July	148.0	40.5	102.0	222.6	79.7	182.1	136.1	188.7	86.0	90.2	63.9	133.0
Aug.	151.2	40.4	95.2	223.6	79.5	182.0	136.9	192.7	90.4	89.9	65.2	135.2
Sept.	122.8	29.3	89.1	205.3	73.3	167.9	118.3	159.4	78.6	84.9	57.4	118.9
Oct.	104.3	22.5	69.9	192.0	68.0	154.1	105.6	132.5	70.7	81.4	51.7	105.8
Weekly Figures, 1937:												
Nov. 4 ...	109.5	23.0	78.2	196.5	69.1	158.0	114.2	138.3	72.9	80.4	52.9	108.0
Nov. 11 ..	105.7	21.1	78.3	192.9	68.9	155.7	118.2	131.8	71.0	80.0	51.6	104.8
Nov. 18 ..	107.3	21.2	77.6	195.8	68.1	155.6	118.6	131.1	66.6	78.9	49.4	104.5
Nov. 25 ...	100.8	18.9	81.3	189.7	66.5	151.2	110.0	124.0	63.8	78.3	47.7	99
Dec. 2 ...	104.1	20.1	81.7	190.0	66.0	151.5	113.3	128.4	64.2	78.4	48.4	101.4
Dec. 9 ...	103.9	19.9	82.3	191.5	67.6	154.7	117.2	130.4	65.3	80.8	49.3	103.9

*High and low for years from 1929 to 1936 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc Mines
Dec. 14	121.65	116.84	117.06
Dec 13	121.62	115.84	116.93
Dec. 11	122.96	116.52	119.17
Dec. 10	122.99	116.54	118.79
Dec. 9	123.64	117.84	119.76
Dec. 8	124.34	118.76	122.46
Month ago ..	125.13	118.23	113.02
Year ago ...	156.40	145.32	180.21
High, 1937 ..	187.67	168.59	215.36
Low, 1937 ...	110.63	98.27	97.01

Montreal Stock Exchange Averages

	10 Util.	20 Indus.	30 Comb'd
Dec. 14	67.8	74.5	72.3
Dec. 13	67.7	75.0	72.6
Dec. 11	67.7	74.9	72.5
Dec. 10	67.5	75.4	72.8
Dec. 9	66.6	75.8	72.7
Dec. 8	67.1	76.1	73.1
Month ago ..	68.4	75.4	73.1
Year ago ..	77.8	102.9	94.6
High, 1937 ...	92.5	122.3	109.5
Low, 1937	63.8	61.4	62.3

Beauharnois On Hydro Deal

Norris Says Statement Being Prepared on Interest for 5% Bonds

From Our Own Correspondent

MONTREAL.—Beauharnois Light Heat and Power Co. has issued an official statement, over the signature of John S. Norris, president, that an agreement has been entered into between the company and the Ontario Hydro-Electric Power Commission for a restoration of its contract, which brings to an end litigation resulting from suspension of the contract by the Commission and the Ontario Legislature.

Subject to Ratification

"The modified contract," says Mr. Norris, "is subject to ratification, on or before July 1, 1938, by the Ontario Legislature and also by the bondholders of the company. If the contract is ratified as provided, the judgments obtained by the company against the Commission are to be waived, each paying its own costs.

"While it will lose a huge sum of money as a consequence of this suspension of the contract and the reduction in price, the company feels that in thus amicably settling the dispute it is acting in the best interests of the bondholders and shareholders in that there is advantage in the avoidance of further prolonged litigation and immediate resumption of deliveries.

"As regards the status of the bondholders of Beauharnois Power Corp under the modified contract, offices of the company are preparing estimates of earnings for the Protective Committee; the bondholders will learn through the committee, in due course, the amount of money it is anticipated will be available for payment of interest on the bonds of that company."

Maritime 'Phone Seeks Adjustment

From Our Own Correspondent

MONTREAL.—Decision has been reserved by the Nova Scotia Board of Public Utilities on the application of the Maritime Telegraph and Telephone Co. for revision of depreciation reserves.

It was argued by the company that as a result of five years experience, certain amendments should be made to the depreciation rates as fixed by the board in July, 1933.

Change in Schedules

The following percentage schedule shows the former's scale of depreciation and the proposed schedule.

	1927	1932	1933	1938
Right of way	..	..	..	2
Buildings	3	2	1.2	2
C. O. Equipment:				
Manual	6	6	3.6	4
Automatic	5	4	2.4	4
Sta. apparatus	5	4	2.6	5
Private branch ex. .	5	5	5	5
Pole Lines:				
Exchange	5	5.2	5	4
Toll	4.25	4.25	4	4
Cable aerial	4.35	4.35	2.5	4.3
Cable submarine ...	10	10	10	10
Cable underground .	3.65	3.65	3.03	3.3
Aerial Wire:				
Copper	6	6	6	2.5
Toll	2.65	2.65	2.65	2.5
Iron	7	7	7	4
Iron toll	6	6	6	4
Conduits	1.4	1.4	1.4	1.4
Office equipment ...	6	6	6	6
Motor vehicles	15.7	15.7	15.7	15
Tools	8	8	8	5

Burry Biscuit Net At Lower Level

Preferred Dividend Well Earned — Cash Ratio Higher

Net earnings of $12.26 per share on the preferred and 22 cents per share on the common stock are reported by Burry Biscuit Corp. for the year ended Oct. 30, 1937. In the previous year $14.48 was earned on the preferred and 31 cents on the common.

The balance sheet shows working capital lower by $17,287, but the ratio is somewhat higher. Inventories increased $62,058, cash was $46,466 higher, and receivables rose $45,259. These changes were offset by the disappearance of $206,920 of marketable securities shown in the previous statement, the proceeds of which were presumably absorbed in the company's general operations.

In a separate account the company keeps other marketable securities, which are carried at cost of $84,875, unchanged from last year. It is interesting to note that the market value of these declined 32% during the year, from $98,750 to $67,150.

Full preferred dividends were paid during the period, and the company has declared the regular payment of 75 cents, payable Jan. 3, 1938, to shareholders of record Dec. 20. In addition, a distribution of 25 cents per share was made during the year to the common shareholders The latter payment, not entirely earned, was made with the object of reducing undistributed profits tax.

George W. Burry, president, states that rising costs of raw materials and wages were important factors during the year, and expresses hope for more stability in costs and selling prices in 1938.

Comparative profit and loss and surplus figures follow:

Income and Surplus Account
Years Ended

	Oct. 30 1937 $	*Oct. 31 1936 $
Gross inc. from oper. ..	156,914	188,763
Add: Interest	976	2,014
Discounts received ..	15,368	12,920
Profit on security sales	2,866	......
	175,124	203,697
Less: Discounts allowed	24,359	18,338
Development exps. ..	1,971	6,755
Interest paid	603	840
Federal income tax ..	18,942	23,714
Undist. profits tax ..	5,520	......
Miscellaneous	1,093	2,156
Net income	122,636	149,892
Less: Minority int.	1,619	5,267
Net profit	121,016	144,625
Less: Preferred divds...	29,700	†19,500
Common divds.	100,260	.....
Surplus for year	‡8,944	125,125
Prev. balance	125,125	§
Balance forward	116,181	125,125

*Ten months period.
†Comprises dividends on 6,000 shares outstanding as at Apr. 1, 1936, and on 10,000 shares subsequently.
‡Deficit.
§First year of operation.

Working Capital

	1937 $	1936 $
Current assets	450,728	503,865
Current liabilities	141,060	176,910
Working capital	309,668	326,955
Ratio	3.19—1	2.84—1

New Issue

Province of Nova Scotia

3½% Bonds due December 15th, 1949

Denominations: $1,000 and $500.

Price: 98.75 and interest, yielding 3.62%

Official statements issued by the Province in connection with this new issue indicate that Nova Scotia, in its fiscal year ended November 30th, will be the second Canadian province to balance its budget after direct relief and sinking fund provision.

Descriptive circular, with financial statement, upon request.

Wood, Gundy & Company Limited
36 King Street West, Toronto
Telephone: ELgin 4321

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
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Mortgage loans on owners' homes at low rates of interest
Capital (Fully Paid), $2,000,000 Reserve Fund, $2,400,000

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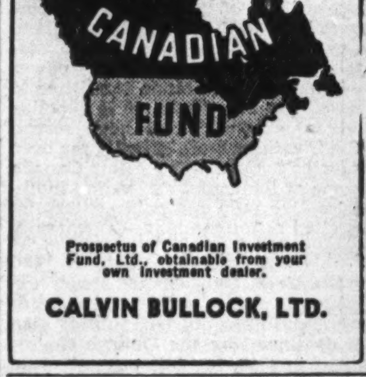
announce that they have taken over the operations of the CORBY and WISER Distilleries formerly known as Consolidated Distilleries, Limited without any change having taken place in the management.

CORBY DISTILLERIES, LIMITED
operating CORBY and WISER Distilleries



Prospectus of Canadian Investment Fund, Ltd., obtainable from your own investment dealer.

CALVIN BULLOCK, LTD.

PROVINCE OF NOVA SCOTIA
12 year 3½% debentures — non-callable.
Price $98.75 and accrued interest to yield 3.62%.
The budget estimate for the year ended 30th November 1937 indicates a surplus of ordinary revenues over expenditures of $104,000
Complete information on request.
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255 St. James St. W.
MONTREAL
Ottawa Toronto

Reduced Holiday Rates on Overseas Telephone Calls

From Thursday, December 23rd to Tuesday, January 4th (exclusive of Christmas Day) the daytime charge for calls overseas via the Montreal-London route, will be reduced by $6.00.

This means that during the above period the cost of overseas calls will be the same, day or night — that is, the present lower night rate will be in effect continuously.

You may talk to friends overseas—for example, in the British Isles — for $15 for 3 minutes; in France, for $15; Germany, $18; Belgium and Holland, $16.50.

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They'll all be overjoyed with it . . . the youngsters for more legible, more quickly transcribed lecture notes . . . Mother for the thrill of typing out her recipes . . . all of them keen to keep up with their correspondence on the rhythmic-writing Royal. Royal, you know, has the famous TOUCH CONTROL for smoother-flowing, "finger comfort" action, year in and year out, at a minimum of servicing cost.

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In Montreal
ROYAL TYPEWRITER COMPANY LTD.
731-735 Bourget Street
Telephone WI. 7154*

See Yellow Pages, Telephone Directory for Royal Dealer in your own district.

Gov't Regulation of Prices by Provinces?

Three Canadian provinces have adopted price control legislation recently or are considering doing so—particularly to curb sales below cost.

WHEN DRUG STORES DO THE MOST BUSINESS

An interesting survey showing percentage of drug store business done on Saturdays and percentage done in various months of year.

ANTI-TRUST DRIVE FOLLOWS FAIR TRADE ACTS IN U. S.

Higher degree of resale price control allowed under fair trade, but monopolies being stepped on harder than ever.

Some of the articles in current issue of Canada's leading drug trade publication.

DRUG MERCHANDISING
481 University Ave., Toronto, Canada.

Reduction of 45% in Employable Persons on Relief

A. B. Purvis analyzes employment situation. Estimates Home Improvement Plan gave employment to 60,000 persons in 1937.

MAY DOUBLE CHAIN STORE TAXES IN QUEBEC

Much interest centred on outcome of Test Case Before Courts on Chain Store Taxes in Quebec Province.

CONDEMNS FARMERS' CREDITORS ARRANGEMENT ACT AS DEBT ELIMINATOR

Wholesale hardwareman in the west makes some suggestions for improving operation of F.C.A. Act. Retailers hard hit under present regulation.

These are some of the interesting articles in the current issue of

HARDWARE AND METAL
Canada's National Hardware Fortnightly.
481 University Ave., Toronto, Ont.

Employment Given Through Influence of Home Improvement Plan

With 30,000 H. I. P. loans amounting to $12,000,000, Commission chairman estimates that between $60,000,000 and $75,000,000 has actually been spent in modernization work in the last twelve months.

IMPORTANT DEVELOPMENTS COMING IN RURAL AREA IN 1938

Prominent plumbing executive looks for considerable modernization of farm properties in 1938, in eastern Canada.

AIR CONDITIONING TO PROMOTE GREATER COMFORT IN STOCK EXCHANGE

Full air conditioning system installed in new Toronto Stock Exchange Building. Description of system which regulates the rise and fall of heat.

These are some of the interesting articles and subjects dealt with in the current issue of

SANITARY ENGINEER
481 University Ave., Toronto, Ont.

Demand Commission to Curb Price Cutting

Action has been taken in Ontario by retailers and wholesalers in the hope of stopping severe price-cutting allegedly on part of certain chain companies. A special committee has been formed to present their case to Premier Hepburn who will be asked to form a "merchants' commission" to regulate unfair practices. Travellers of wholesale grocers are now getting signatures of retailers throughout the Province.

SALES TAX RUMOR TENDS TO SLOW BUSINESS

Reports from Ottawa that there might be some reduction in the sales tax when the next budget comes down is tending to delay purchases in the grocery business still further. Buying will continue to be on hand-to-mouth basis.

HIGHER PRICES FOR TIN CANS FOR 1938 PACKS

This article reviews the tin plate situation and shows the effect of armament production in the United Kingdom on tin plate and tin cans. These are only a few of the many important business articles in the current issue of

CANADIAN GROCER
481 University Ave., Toronto, Ont.

Reading Habits of Canadian Business Executives

Survey by this paper reveals most interesting facts as to the extent to which Canadian business executives read worth-while books—and what books they read.

OVERHEAD COSTS FORCE MANUFACTURERS TO WIDEN DISTRIBUTION

More direct selling threatens in many stationery lines. Retailers held responsible for change by manufacturers.

These are two of a number of highly interesting articles in current issue of

BOOKSELLER AND STATIONER
481 University Ave., Toronto, Canada.

Drastic Action Needed on Bedding Situation

Further revelations with regard to Ontario's mattress, pillow and upholstered furniture situation — Investigation imperative.

GLARING WEAKNESS REVEALED IN L. C. B. REGULATIONS

Manufacturer charges hotelmen being chiseled on cleaning solutions—Blames loophole in Ontario Liquor Control Board's sterilization law.

FIRST RATE SERVICE BY SMALLER CANADIAN HOTELS

Read about the typical small Canadian hotel offering quality accommodation.

Don't fail to read these outstanding features appearing in the current issue of

CANADIAN HOTEL REVIEW AND RESTAURANT
481 University Ave., Toronto, Ont.

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FANNY FARMER CANDY SHOPS
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PRESSED METALS OF AMERICA

Recent analyses cover the above. Cities Service earnings increased 25% this year. The Beauharnois contract will increase earnings. Cuba Northern Railways earnings increasing, making bonds attractive at 43.

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WANTED SMALL DIESEL MARINE Engine. Beauchene Club, Beauchene, Que.

Capital Wanted

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WILL BE AVAILABLE EARLY IN 1938 for position as Office Manager or Supervisor in charge of Personnel or service duty. Is thoroughly experienced and capable, through social background and training, in meeting and conferring with other business executives. Has been accustomed, for some years, to training and handling office staffs and to arranging departmental routines. Is used to travelling on business when this is necessary and to assuming any responsibility circumstances may impose. Would prefer an association which requires constant and intelligent work. Box 14, The Financial Post, Toronto.

Bond Markets

Firm Market Greets New Bond Offerings

New Hydro Contracts Aid Power Bonds to Move Upward and Open Refunding Possibilities—Fair Volume of New Bonds

High-grade Canadian government bonds moved quietly along their course in the past week. Prices continued strong with no great amount of trading.

Two substantial pieces of financing were announced. A new issue of $5,135,000 Nova Scotia 3½%, 12-year bonds, was offered at 98¾, to yield 3.62%. Proceeds are to be used for highway construction and general purposes. A statement by Premier Macdonald emphasizes that the province expects to show a surplus in its revenue and expenditure accounts, after providing for direct relief and sinking fund for the year ended Nov. 30, 1937.

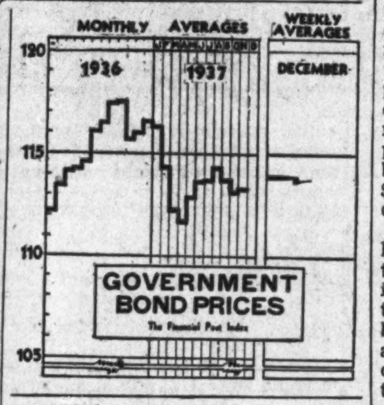
Other borrowers to seek a large amount of money this week were Toronto and the Toronto Harbour Commission. The city sold $2.4 millions of 2¼% five-year serials at 100.52, a cost basis of 2.02%. Chief point of criticism in the Toronto issue is its purpose, as the city is still borrowing to finance direct relief. The Harbour Commission issue was for $650,000 at 3½%, and sold at 101.87%, a cost basis of 3.27% for 10-year bonds. These bonds were offered to refund maturing securities.

Several smaller municipal issues also appeared in the past week.

Power Contracts and Prices

Hydro-Electric Power Commission of Ontario has announced new contracts with four Quebec power companies. All of the companies concerned have bond issues outstanding for large amounts. Without exception these bonds have shown price increases in the past week.

Beauharnois 5% bonds, quoted around 63, are up two points; Gatineau 5% first mortgage bonds, at 103, are up one point; while the 6% debentures at 101¼ are 1¼ points higher; Maclaren-Quebec 5½% bonds at 102¼ are up 2¼ points; and Ottawa Valley 5½% bonds at 105¼ have risen 1¼ points. Largest gain is shown by the more speculative International Hydro-Electric 6% debentures which, at about 68½, are 4½ points up. This company should benefit indirectly through its subsidiary, Gatineau Power Co. As might be expected the more speculative issues such as Beauharnois and International Hydro gave the best accounts of themselves. It cannot be said definitely, of course, that all of this rise is due to the new contracts, but they must have been an important factor.



Refunding May Come

One effect of the new contracts on the bond market may eventually be some substantial refunding operations. Gatineau Power Co. has already announced its intention of refunding both series of 6% debentures at the earliest convenient moment. Approximately $15 millions of these debentures mature in 1941 and must have been causing a certain amount of concern. Gatineau 6% debentures, both series, are now callable at 102, approximately the present market level.

Somewhat further in the future is the possibility that Maclaren-Quebec may refund their 5½% bonds which are now callable at 103 for series A and 105 for series B bonds. This is considerably above the current market. Ottawa Valley 5½% bonds are quoted around 105 to 106 and callable at 104¼. In the case of this company, Hydro has an option to purchase the company and assume its funded debt.

It is quite possible that those desiring to refund bonds of any of these Quebec power companies might find the investors somewhat reluctant to invest in companies which are just emerging from such a trying period as is the case here.

Western Provincial Bonds

Holders of bonds of Manitoba and Saskatchewan have probably been noticing the emphasis placed by provincial and municipal authorities on their financial difficulties. This was to be expected but does little to restore the investors' confidence. He sees the governments pleading their inability to meet the obligations with the resources at their command and can be forgiven if he wonders how long he will get his interest.

There is no denying the seriousness of the situation faced by these provinces, but it does appear as if Manitoba, particularly, had gone farther than necessary in suggesting default as the alternative to sweeping assistance from the Dominion Government. The average bondholder may look with considerable apprehension to the time when the Rowell Commission announces its recommendations and the matter is turned over to the Dominion Government.

Capital Issues in Britain

Demand for new capital in Great Britain appears to be following a trend very similar to that shown in Canada. For the 11 months ended Nov. 30, 1937, new capital issues were £153.1 millions, as compiled by the Midland Bank, a decrease of £43.9 millions from the total for the corresponding period of 1936 and £18.5 millions under 1935. Since 1919 only the four years from 1931 to 1934 inclusive have shown a smaller 11 months total than this year.

For the 1937 period about 80% of the total of new capital issues in the United Kingdom were for borrowers in that country against almost 90% in 1936 and 1935. Other British countries, India and Ceylon, as well as foreign countries, all increased their share in 1937.

Bond Index

Prices of high-grade government bonds declined slightly in the past week but not enough to make more than a small fractional difference in yields, as shown by the following tabulation.

Average Price and Yield for Seven High-Grade Government Bonds

1937	Price $	Yield %	1936	Price $	Yield %
Dec. 14	113.91	3.218	Dec. 15	116.80	3.034
Dec. 13	113.86	3.224	Dec. 12	116.99	3.020
Dec. 11	113.87	3.227	Dec. 11	116.99	3.020
Dec. 10	113.87	3.227	Dec. 10	116.73	3.047
Dec. 9	113.91	3.223	Dec. 9	116.48	3.070
Dec. 8	113.94	3.221	Dec. 8	116.42	3.080
Year's	116.32	3.206	Year's	117.91	2.966
Range	111.60	3.505	Range	111.50	3.597

General Steel Wares To Issue Share Warrants

From Our Own Correspondent

MONTREAL.—Following the confirmation of General Steel Wares reorganization plant, subscription warrants will be mailed by the company after Jan. 1 next to registered holders of preferred shares at the close of business on the same date, granting to them the rights to subscribe on or before March 31 for common at a price of $1 a share, on the basis of 2½ common shares for each preferred held.

Gaspesia Sulphite Co. Increases Share Capital

From Our Own Correspondent

MONTREAL.—Gaspesia Sulphite Co., which took over the old Chandler Pulp Mill, has taken out supplementary letters patent increasing authorized share capital from 200,000 shares to 320,000 shares, of the par value of $5 each.

Higher Dividend Declared On Thayers Ltd. Preferred

A preferred dividend of $3.50 per share has been declared by Thayers Ltd., payable Jan. 1, 1938, to shareholders of record Dec. 20. This is an increase over the payment of $2.50 made on Jan. 1, 1937.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Riordon Pulp ...	▲6%	1942	Dec. 31	105
Mississippi R. Pr.	‡5%	1951	Jan. 1	105

For sinking fund purposes: ‡$154,400. ▲$59,000.

Winnipeg Suburbs Plan Refinancing

Negotiations Under Way to Clean Up Defaults

By Staff Writer

WINNIPEG.—Negotiations are at present under way looking to an adjustment of the default of suburban municipalities surrounding Winnipeg. Present plans call for a temporary adjustment for a five-year period and it is probable that debt service will be placed on an income basis. Tentative agreements have already been reached by representatives of bondholders with St. Boniface and St. James. Negotiations are continuing with St. Vital, East Kildonan and West Kildonan.

Preliminary discussions have also been held looking to adjustment of the default of the city of Winnipeg. Hon. E. A. McPherson, who was supervisor of the city for over a year until his appointment as a judge recently, has made a report to the Manitoba Government containing proposals for rehabilitation of the city's finances.

The proposals include reorganization of the sinking fund, resumption of interest payments at a reduced rate through refinancing and reduction in the city's bank overdraft. The proposals envision exchange of present debentures for new bonds carrying 3% interest and conversion of part of the bank overdraft into 3% bonds. The present bank overdraft is $330,000 of which it is proposed to capitalize $250,000.

Representatives of bondholders have also made a detailed study of the financial position of the city and it is probable that they will insist that the adjustment, whatever it may be, should be based entirely upon ability to pay. This is the principle on which the Calgary and Edmonton refunding plans were negotiated.

Bond Sales

Toronto, Ont.

Toronto has sold $2,438,000 of 2¼% five-year serial debentures at 100.5299, or a cost basis to the city of approximately 2.06%. The issue is for relief purposes. Successful tender was by a syndicate headed by Dominion Securities Corp. Ltd. Complete list of tenders follows:

	Bids
Dominion Securities Corp., Imperial Bank, Royal Securities Corp., Can. Bank of Commerce	100.5299
Daly & Co., Cochran, Murray & Co., Dyment, Anderson & Co., Matthews & Co., Midland Securities Corp., Flemming & Co., J. L. Graham & Co., Fry & Co.	100.16
Wood, Gundy & Co., A. E. Ames & Co., Royal Bank, Dominion Bank	100.06
Bank of Montreal, Mills, Spence & Co., McLeod, Young, Weir & Co., Bell, Gouinlock & Co., McTaggart, Hannaford, Birks & Gordon, Hanson Bros., C. H. Burgess & Co.	99.7611
F. W. Kerr & Co.	99.46

Port Colborne, Ont.

Port Colborne has disposed of $30,000 3½% five-year installment debentures to Gairdner & Co. Ltd. This was a private sale, and the price has not been disclosed. Proceeds of the issue will be used to pay off Housing Loan obligations.

Saint John, N.B.

Saint John, N.B., has sold $18,200 of 3½% five-year serial debentures at 100.125. Purchasers were W. C. Pitfield & Co., Nesbitt, Thomson & Co., and Irving, Brennan & Co.

Oak Bay, B.C.

District of Oak Bay has sold $36,000 of 4% debentures, due Jan. 1, 1948. The issue was disposed of locally by private sale.

Toronto Harbor Comm.

An issue of $650,000 Toronto Harbor Commissioners' 3½% 10-year straight term debentures has been sold to Fairclough & Co. and Burns Bros. & Co. at 101.87, representing a cost basis of approximately 3.28%. The bonds were issued as part of a refunding plan and are guaranteed by the city of Toronto. Complete list of tenders follows:

	Bids
Fairclough & Co., Burns Bros. & Co.	101.87
Dominion Securities Corp., Imperial Bank, Royal Securities Corp., Can. Bank of Comm.	101.80
Bartlett, Cayley & Co.	101.691
Harris, Ramsay & Co., Beatty, Webster & Co.	101.57
Wood, Gundy & Co., A. E. Ames & Co., Royal Bank, Dominion Bank	101.36
Bank of Montreal, Mills, Spence & Co., McLeod, Young Weir & Co., Bell, Gouinlock & Co., McTaggart, Hannaford, Birks & Gordon, Hanson Bros., C. H. Burgess & Co	101.33
Bank of Nova Scotia, Bank of Toronto R. A. Daly & Co., Cochran, Murray & Co., Dyment, Anderson & Co., Matthews & Co., Midland Securities Corp., Flemming & Co., J. L. Graham & Co., Fry & Co.	101.3275
W. C. Pitfield & Co., Griffis, Norsworthy Ltd., Gairdner & Co.	100.69

Nova Scotia Sells Bonds

$5.1 Millions Issue Sold Privately — Province Shows Surplus

Nova Scotia has sold privately $5,135,000 of 3½% non-callable 12-year debentures, due Dec. 15, 1949, at an undisclosed price. Of the total issue, $4.6 millions will be used for construction of permanent highways, and the balance is divided among 22 expenditure items. The bonds are payable in Canadian funds only. Public offering is being made at 98.75 and accrued interest, to yield 3.62%.

Gross funded debt of the province is reported at $98.1 millions as at Nov. 30, 1937. Against this are $5.8 millions of sinking funds and $20 millions of revenue producing assets, leaving net debenture debt at $72.2 millions. Assessed value of property in the province as at Dec. 31, 1936, was $171.1 millions.

Surplus Predicted

In the fiscal year ended Nov. 30, 1936, a surplus of $151,719 was shown from revenues of $10,289,369, after providing $378,171 for sinking fund. This year it is estimated the surplus will be $104,286, based on estimated revenues of $10.6 millions. In this connection, Hon. Angus Macdonald, Premier and Provincial Treasurer, states that "it is certain the estimated surplus will be realized, and, in addition, it is expected that ordinary revenues will be sufficient to take care of direct relief requirements for the past fiscal year of approximately $300,000."

The issue was disposed of by private sale to a syndicate consisting of Wood, Gundy & Co., Bank of Montreal, Dominion Securities Corp., A. E. Ames & Co., Royal Bank, Canadian Bank of Commerce, McLeod, Young, Weir & Co., Bell, Gouinlock & Co., Mills, Spence & Co., Bank of Nova Scotia, Dominion Bank, Royal Securities Corp., Hanson Bros., McTaggart, Hannaford, Birks & Gordon, Harrison & Co., Mead & Co., Eastern Securities Co., and Irving, Brennan & Co.

Treasury Bills

Dominion of Canada sold $25 millions of treasury bills on Dec. 14, at an average price of 99.81276, for a cost basis of .761%. The bills are dated Dec. 15, and mature Mar. 15, 1938. Outstanding total of bills remains at $150 millions, where it has stood since Sept. 1.

Cost basis, which had turned upward from its Sept. 1 low, resumed its downward trend on Dec. 1, and continued to move lower on the latest issue.

Cost of treasury bills sold since the beginning of 1937 follows:

Date sold 1937	Cost %	Date sold 1937	Cost %
Jan. 1	.746	July 1	.634
Jan. 15	.747	July 15	.632
Feb. 1	.759	Aug. 1	.633
Feb. 15	.778	Aug. 15	.636
Mar. 1	.795	Sept. 1	.628
Mar. 15	.805	Sept. 15	.632
Apr. 1	.786	Oct. 1	.660
Apr. 15	.771	Oct. 15	.696
May 1	.749	Nov. 1	.781
May 15	.715	Nov. 15	.816
June 1	.678	Dec. 1	.785
June 15	.643	Dec. 15	.761

Save as you shave!

Remington Rand Close-Shaver

No blades, no soap, no lotions to buy. Costs less than a penny a month to operate.

YOUR first cost is practically your last cost when you buy one of the new Remington Rand Close-Shavers. Less than a penny a month for electricity will pay for fast, close shaves.

Lifetime construction . . . new precision shearing head . . . double cutting surface . . . combing bar that lifts flat hairs . . . special Westinghouse motor . . . year's guarantee of materials and workmanship.

This is in our opinion the finest dry shaver on the market. It *delivers* the close shaves you have been *promised!* Price includes a fine quality pigskin zipper case, cord and cleaning brush.

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A Merry Christmas and A Happy New Year

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With dividend covered three times 5% preferred stock has interesting investment possibilities. Analysis on request.

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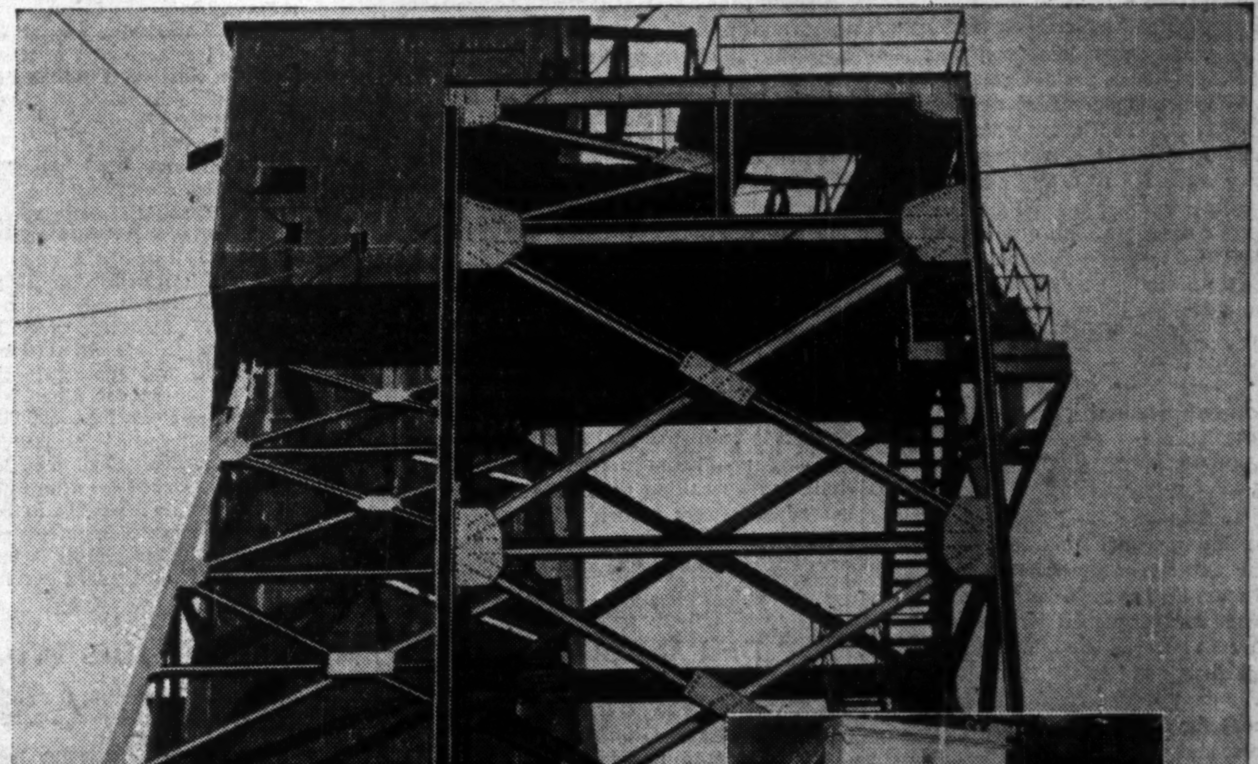
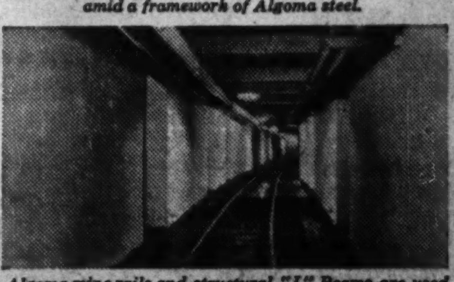


Headframe at International Nickel's Frood Mine built with Algoma steel.

Marcy Rod Mill at International Nickel Company containing a charge of Algoma High Carbon Grinding Rods.

This conveyor system at International Nickel is built amid a framework of Algoma steel.



Algoma mine rails and structural "I" Beams are used through International Nickel's underground workings.

INTERNATIONAL NICKEL IS A BIG USER OF ALGOMA STEEL

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Algoma can fill your steel needs from the lightest sections to heavy structural shapes including standard 15" beams and channels, "H" sections, and steel sheet piling. Just as it stands up in mining, grinding and refining operations, this steel produced by the "Men of Algoma", will stand up under the toughest abuse *your* operations can give it.

Algoma Three-Way Sales Service provides you with (1) a wide range of steel stocks at all times, (2) prompt service on orders and inquiries, (3) engineering consultation on your construction and steel problems.

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TORONTO, DECEMBER 18, 1937

The Financial Post's Platform for Canada

Balanced budgets.
A modernized constitution.
Extension of Empire trade.
Integrity in meeting public obligations.

Some Export Advice

CANADA must advertise its wares in Great Britain, is the conclusion reached by a group of marketing experts who, after a personal survey of the Old Country field this season, have now reported to Ottawa.

Canadian bacon, canned goods, cattle, cheese and other food products, they found, are little known in comparison to the produce of the other Dominions. Previous advertising campaigns have been weak because they were too general in appeal, lacked volume and continuity and sometimes were not geared to specific supplies.

Three definite recommendations are made:

1. Intensive educational and inspectional services in Canada to make sure that a constant and standard supply of high-grade farm merchandise is produced here specifically for the British market.
2. An extensive campaign designed to impress British food handlers and importers of farm animals with the advantages of developing the Canadian business.
3. A constant effort to impress the British housewife with the high quality of Canadian agricultural products.

Under the Ottawa Agreements Canada has been given a certain very definite option on the British market. Protected outlets for a long list of food products are guaranteed. While the present conditions may be modified as the result of trade negotiations now pending between Washington, London and Ottawa, Canadian products will undoubtedly continue to enjoy a considerable measure of preference.

This concession, however, was granted on the understanding that we would develop in this country a stable and high quality source of supply. Either we must cater seriously and steadily to the British market or we must abandon hope of continued favors.

A constant supply of high quality products, as the report points out is not enough. The British consumer must be made aware of our goods and must be taught to ask for them. This means constant advertising and other promotional work. Canadian exporters, The Financial Post believes, are not greatly interested as to which government departments take charge of such work nor which department was responsible for previous and now currently criticized attempts.

The principal thing is to build up a demand for our goods based on high quality and low cost, rather than highly perishable sentiment. The work should be pushed forward now, so that ground may be consolidated before new treaties throw the British market open to further competition.

People Follow the Pound

RECENT studies on the trend of capital investment in Great Britain have disclosed some striking conclusions of broad significance to Canada. Most important is the close correlation which apparently exists between the outflow of capital and of people. It would seem that as far as British migration is concerned her people follow the pound.

The current letter of the Midland Bank discusses this question in detail. It points out that in pre-war days it was regarded as more or less normal for an amount roughly equal to the interest and dividends on existing British capital abroad to be placed overseas in the form of new investments. Along with this went a steady flow of emigrants "to see the glowing opportunities which the opening of new areas was believed to present."

Accurate figures are difficult to obtain but the pre-war figure of £160 millions representing the annual average of new capital issues for overseas public authorities and corporations suggests the extent of this outflow. About half this was absorbed within the Empire. The well-established pre-war custom of the British people, taken in the mass, was to put one-half of their savings into new capital assets at home and to lend the other half abroad. At the same time, pre-war emigration averaged 200,000 people annually.

Today, there has been a striking reversal. New capital issues for use abroad have dropped to £40 millions annually, while the movement of British emigrants has dropped to a point where, since 1931, there has been an annual inflow of 30,000 people.

This large capital surplus is now being directed toward British industrial activity and toward a rebuilding and shifting in Britain's great industrial centres It is making Britain a better place to live for those who now remain at home. It has created, for example, a sharp demand for the services of bricklayers and plumbers at the expense of puddlers, furnace men and pattern makers. It has led to the appointment of a Royal Commission to study the facts and consider the implications of the concentration of industrial development in particular areas.

This is the money which formerly poured out in a mighty stream of capital goods and equipment and which to a large extent provided homes and jobs for those who, partly from choice but mainly through lack of opportunity abroad have, during the depression, remained at home.

Thus a rather striking case can be developed around the thesis that "people follow the pound" and that once British capital starts moving into the world again it will be followed by a supporting stream of people anxious to obtain their share of personal dividends from the opportunities that present themselves. No country is more interested in this movement of pounds and people than Canada.

Our attention should be focused on making this Dominion an attractive outlet for British capital. In so doing we will automatically assure ourselves of a supporting flow of the new blood and brawn we so greatly need.

Naming the New Provinces

JUST before the three Prairie Provinces finally join as one and the Maritime Provinces sink their identities in a political union, the last and most difficult hurdle to be taken will be the selection of a pair of names for the two new provinces.

It would not be a bad idea for us to start thinking about the matter right now. It is never fair to the baby to give no thought to his name until he arrives.

We are ready to start the discussion with a few tentative suggestions.

So far as the West is concerned we feel that enduring tribute ought to be paid to the part played by wheat in the upbuilding of the land. So instead of Prairiana as a name we suggest "Saunders" to recognize the place of wheat in Prairie economy and to honor the man who contributed more than any other single individual to making the West the source of the world's finest wheat.

Alternative suggestions are Marquis, Reward and (this we offer timidly) Garnet. If one of the present names must be retained then let us call the West Manitoba, for it is by the name of "Manitoba's" that Canadian wheat is sold in world markets.

On a similar basis the Maritime Provinces might suitably be called Cod, but the proposal may be rejected summarily as being undignified.

No doubt the name Atlantis will have many supporters in view of the Elysian or Utopian suggestion inherent in the word.

Equally pleasant in its associations is the name Acadia and it is our proposal. Acadia is a name that has won its place in history and it has sound topographical reasons as well for acceptance. "The Acadian area" is a phrase as familiar to those interested in the geophysical sciences as is "Pre-Cambria." The Maritime Provinces—or the British-settled parts of them—were Acadia long before they were ever Canada.

Perhaps our readers will accept the challenge and contribute their own ideas. Other newspapers may take up this subject and offer alternative suggestions. If they do, we'd be glad to publish them. It is time we began thinking about the matter. Otherwise we shall end by calling them after members of the royal family, which the outside world might not consider very original. Maps are covered with the names of kings, queens and princesses already.

Dual Annual Reports

RECENT action of Brantford Cordage Co., in issuing what is in effect two financial statements, draws attention to a weakness in the Dominion Companies Act. The company for the past two years has issued an annual statement to shareholders which fully complies with the act, but has given an incomplete statement to the public and the press.

Apparently the company's attitude is that it is justified in withholding some of the facts from the general public. This is clearly at variance with the intentions of Parliament, and the act should be changed so that it will fulfill its intended function.

The company's present policy would seem to be a short-sighted one. Customers and the public generally have a habit of becoming suspicious whenever information is withheld by a company. They conjure up all kinds of sinister motives and can do considerable damage to a company with idle, ill-informed rumors.

Brantford Cordage Co. owes it to itself and to the public, who are its past and future shareholders, to give the same information to shareholder and non-shareholder alike.

Politicians and the Post Office

THE recent suggestion that Duncan Marshall, former Ontario minister of Agriculture, be appointed postmaster of Toronto naturally aroused sharp protest from the Canadian Postal Employees' Association. It is unlikely anything more will be heard of the suggestion.

A serious attempt to make an appointment of this kind would arouse enough protest to shock even the most cynical politician. The business world remembers only too well the results which marked a long period of political tampering with the mails.

Until 1918 every postmastership in Canada was regarded as a reward for political service. In that year, W. E. Lemon, now retired, became postmaster of Toronto because he was trained for the job. Since that appointment—the first made by the Union Government under its plank for merit in the civil service—no important postal post in Canada has been treated as a political sinecure The smaller offices, of course, are still fair patronage game

The Financial Post, backed by newspapers across Canada, crusaded for years to secure reform of postal services; it was not until the government adopted the merit system of promotion that the doddering post-office department awoke to changing conditions

In 1918, just before the announcement of Mr. Lemon's appointment, The Financial Post stated:

"All the higher appointments in the post office should be filled by promotion of the experienced members of the present staff. Every man joining the service as mail carrier or clerk in a remote rural office should do so, knowing that if he has the capacity he may some day attain to the deputy postmaster-generalship with a salary of $25,000 a year. There should be no more political postmasters in Toronto or anywhere else."

Later in the same year The Financial Post wrote: "Strike of the postal employees marks the culmination of grossly stupid mismanagement."

At that time there was no enterprise in the postal service; no attempt to keep abreast of developments in other countries. British mails were days late. Class papers, rendering a specialized service to many sections of the community, a service not rendered by any other publications, had to fight a prolonged battle to be accorded the same treatment given other newspapers. Service was attacked as not only inefficient but as expensive. One firm organized its own city delivery and undercut the post-office by $14,520 a year.

Merit appointments were the first move for reform. A complete reorganization followed. The last few years criticism of the postal services has been less heard. But the fight will be lost if the politicians are permitted to increase their political control of the postal service.

Editorials in Brief

Our compliments to Congressional Representative Hamilton Fish for his remark: "It is about time the New Deal changed its tune from 'Happy Days are Here Again' to 'The Merry-go-Round Broke Down.'"

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Economics Departments of Canadian universities are reputedly going to close during 1938. The reason? Almost every able-minded professor has been co-opted by the Rowell Commission or by those preparing briefs for that body.

• • •

A Typographical Error by Post compositors dropped 90,000 from the population figure of Newfoundland recently. The correct figure as disclosed in the Colony's latest census report is approximately 290,000.

Our apologies to our many friends on the famous isle. We hope none of them take the mishap personally.

• • •

Japan now occupies on the mainland of Asia an area of more than 700,000 square miles. This compares with a land area of Japan proper of less than 150,000 square miles.

The area occupied by Japan on the Asiatic mainland is greater than the combined areas of Alberta and British Columbia; greater, too, than the combined areas of Quebec and the three Maritime Provinces.

Included are Korea, the puppet empire of Manchoukuo and a large part of North China.

Perhaps Japan wants to bring the figure to an even million square miles before going through the formality of declaring war.

• • •

Toronto Globe and Mail describes as a "brazen, unclothed revelation" the recent outburst in a local Liberal Association meeting which disclosed how ex-Attorney-general Arthur Roebuck had been denied "access to the taxpayers' money for distribution to the faithful wardheelers of his favorite riding."

The inference of this odious revelation is that Mr. Roebuck (despite his enforced resignation from the Cabinet) was apparently able to retain support of the official Liberal "machine" and get himself re-elected through holding out prospects of a patronage distribution. Subsequently the patronage failed to materialize so the party faithful kicked over the traces.

Such revelations, as the Globe aptly remarks, help to strip "the mask of hypocrisy off the pretense that a candidate's success is invariably a reward for disinterested public service."

Sayings of the Week

"No one knows today what the policies of the Conservative Party are."—*Hon. Dr. R. J. Manion.*

"It seems very unfair that the last straw of debt which breaks the camel's back should rank on the carcass equally with the first load which the camel was well able to bear."—*George C. McDonald, president, Canadian Chamber of Commerce.*

• • •

"Advance has come from the energy and personal ambition of innumerable men and women. Take away their incentive, regiment them and progress will halt."—*James Truslow Adams.*

"The trouble with most people today is that they don't listen to themselves enough. They listen too much to others."—*Henry Ford.*

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"The railways of Canada turn the potential wealth of the country into actual wealth with an efficiency of 90 per cent."—*S. W. Fairweather, Director, Bureau of Economics, C.N.R.*

• • •

"There is a great urgency for reconstituting the economic relations of the Prairie Provinces to the nation as a whole so that the West may be saved for her own children."—*Premier John Bracken.*

• • •

"The only sound step toward our objective of a continuous and ever-increasing flow of goods and services is to do those things that reduce real costs. This can only be accomplished by increased efficiency."—*Alfred P. Sloan, Jr., to Association of Life Insurance Presidents.*

• • •

"The future of America is bound up in the welfare of the small men in business, on the farm and in industry."—*John E. Miller, Arkansas, co-author of the Miller-Tydings Price Fixing Act.*

• • •

"Fish are too remote, too far away. It takes a long time to train them to come to you."—*Dr. A. A. Brill, Psychologist and Pet Fancier.*

"New York is the only place in the world where one can go to bed at 4 a.m. and get up at 8 a.m."—*Aldous Huxley.*

"Why should sensible American investors loan money in those countries that have defaulted on their obligation to us?"—*Henry A. Wallace.*

—Cartoon by Grassick.

LADY HEPBURN MACBETH: "Out, damned spot!—Out, I say! Will these hands ne'er be clean? Here's the smell of the blood still. All the perfumes of Arabia will not sweeten this little hand."

Post-Scripts • • • •

Number One Musicmaker

Sir Ernest MacMillan, Canada's No. 1 man in music, has been adding orchestral scalps to his belt at a rapid rate. Within the past two years he has "guest conducted" the Los Angeles, Chicago, BBC, Montreal and Philadelphia Symphony Orchestras. Now he is going to take over the Ford Symphony Orchestra for five of its Ford Sunday Evening Hour concerts in February and March.

SIR E. MACMILLAN

Sir Ernest is a man of prodigious vitality. He has to be to get through all the work he has to do. His major responsibility is the principalship of the Toronto Conservatory of Music, which is a part of the University of Toronto, and which has some 4,000 students besides being the principal examining body in music for Ontario and the four western provinces. He is also Dean of Music at the University of Toronto; musical adviser to the CBC; and conductor of the Toronto Symphony Orchestra.

• • •

Sir Ernest began young to achieve distinction in music. He was a concert organist at 10; an A.R.C.O. at 13; and a Fellow of the Royal College of Organists at 17. On a visit to Germany when war broke out in 1914, he was interned. It was there he wrote the setting to Swinburne's ode to "England" that won him his doctorate from Oxford.

Like most leading conductors, MacMillan seldom has a score in front of him when he leads an orchestra. He has memorized practically all the great compositions. During his internment in Germany a group of those in the prison camp where he was placed wanted to put on a Gilbert and Sullivan opera to keep alive their memories of home. They had no music. They appealed to MacMillan and he wrote out the entire score from memory.

MacMillan is known in musical circles everywhere. He has been the subject of many of the most flattering tributes from world figures in music, who have been happy to take him into their circle of genius

• • •

Pipe and Jacket

After a strenuous concert, MacMillan goes home, exchanges his tail coat for a velvet jacket, lights a pipe and enjoys himself. Almost always a group of musical people gather to discuss their common interests. If there has been a distinguished guest artist—say, a violinist or a cellist — on the programme, he comes along too, bringing his instrument with him. One subject leads to another until a warm debate starts about a certain work. Soon the violin or the cello pops out of its case and the company knows that, between cold chicken, ham sandwiches, coffee and beer, they are going to hear some delightful musical repartee between the piano and the other instrument. In fact, the most fascinating musical picture we ever witnessed was MacMillan smoking a pipe at his piano and Felix Salmond, cellist, puffing vigorously at a cigar while the two tried out a Cesar Franck piece.

Engagement of Sir Ernest by the Ford Symphony Hour is a splendid tribute, for that radio programme has always set a high standard. Among the guest artists who will appear under his baton are Kirsten Flagstad, Jose Iturbi and Lily Pons.

When Sir Ernest MacMillan appears with the Toronto Symphony Orchestra in Toronto his headquarters are Massey Hall. That suggests that we say something that has been on our minds to say for some time. It is about a man who, though no musician, has done a great deal for music in Canada.

• • •

Massey Hall's Boss

Selling some $60 millions or more of bacon and other meat products every year is the major activity of J. S. McLean, president of Canada Packers. But like most business leaders he has a number of outside interests that take up much of his time and that benefit greatly from his business advice. One of these is Massey Hall, Toronto's long-established musical auditorium, owned and managed as a public trust by a small board, of which Mr. McLean is chairman.

J. S. McLEAN

Massey Hall is something of a "common carrier." One night it may be rented to the Salvation Army and the next night to the Communist party; the third night to a firemen's concert and the fourth night to Paderewski or Rachmaninoff.

• • •

Since Mr. McLean became chairman of the trustees in September, 1929, there have been changes around Massey Hall. The building has been renovated and smartened up considerably. The trustees have gone into the producing end of music. Formerly the general policy of Massey Hall was to rent the auditorium to local impresarios or organizations which would undertake the hazards of bringing outside artists to the city. But there were some ventures beyond the courage or financial abilities of such organizations. Mr. McLean decided that Massey Hall would fulfill its public trust by doing the job itself. So the Ballet Russe de Monte Carlo was brought to Toronto for three seasons; the San Carlo Grand Opera Company for three seasons. Now Massey Hall is bringing the Philadelphia Symphony Orchestra to Toronto for a three day festival next spring.

The other trustees of Massey Hall are Hon. Vincent Massey, Fred R. McKelcan, corporations officer of the National Trust Company (who is Toronto's most knowledgeable layman in music), and the mayor of Toronto.

• • •

Where Canada Excels

An English friend of ours, who was in town the other day, remarked to us "I am going to get one thing out of this trip and that is some clean clothes."

Pressed for an explanation, he went on to say, "Canadian cleaners are the best I have ever found in my travelling around the world. If you send a suit of clothes out to be cleaned and pressed in Canada you are certain of a thorough and competent job. In England it is different. The English cleaners have never learned their business properly and the results you get from them are appalling. Some of my wealthier friends never send their clothes to an English cleaner. They ship them by airplane to Paris, and get them cleaned there. They are returned within a day or two properly done. It's expensive, but what else are they to do?"

The Englishman also confided to us that he was buying some new clothes in Canada. "Savile Row tailors have a great reputation," he said, "but I prefer the Canadian tailor for style and fit. If you can afford to pay top prices you can get what you want in London, but if, like myself, you want reasonably priced clothes that have a good cut and are well made you can do much better in Canada."

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Honor to Hogg

If Ontario's Premier Hepburn ever gets to the place where he wishes to fire Dr. Thomas Hogg, newly-appointed chairman of the Ontario Hydro-Electric Power Commission he will have a job on his hands.

That is one fair inference, at least, from the spontaneous demonstration of affection and devotion shown by some 800 fellow engineers at a complimentary dinner given in Dr. Hogg's honor last week.

And incidentally the banquet put Postscripts on the spot because a previous personal item about Dr. Hogg had indicated that his name was pronounced "Hoag." We hasten to correct the error—ably attested as such on at least 80 or 90 occasions during the excellent speech-making which followed the banquet.

• • •

As a matter of fact, J. B. Carswell of Hamilton in proposing a toast to "our Tommy" submitted that Toronto had rightfully earned the name "Hogtown" after the famous hydro engineer had taken up residence there. He also traced the history of the Hogg family and pointed out that his searching of the records disclosed three great calamities had occurred in Britain in 1667. One was the Great Plague; another the Great Fire. The third was emigration of the Hoggs from the North of Scotland to Antrim.

Mr. Carswell with his crisp, Scotch burr, gave the credit for Dr. Hogg's accomplishments to his Highland background—despite a few generations of "contamination."

• • •

Hepburn Missing

The Hogg banquet, incidentally, offered evidence of the seeming disregard which Premier Hepburn holds for social functions or for speaking engagements of this type.

The Premier had accepted a request that he reply to a toast to the Province of Ontario. His name was duly printed in the programme. But he did not turn up.

Fortunately he sent a very able substitute in the person of Attorney-General Conant who made a good pinch-hitter, although his "chief" had given him but a few hours notice.

This is not the first time Premier Hepburn has done this. Last year he disappointed an important meeting of the Canadian Manufacturers Association in the same way. Again his name had been printed on the programme and his decision not to appear was made apparently with a few hours notice.

Other People's Views • • • •

Itinerant Cabinet
Calgary Herald

According to the Alberta Public Accounts for the financial year ended March 31 last the enormous sum of $302,687 was spent in travelling expenses by members of the Aberhart Government and their officials. This was an increase of $35,458 over the previous fiscal year.

The province may be hard up, but the perennial peregrinations of the "social credit" ministers hither and yon do not suggest that they are worried about travelling expenses—or absence from their departments.

Wholesaling Costs Drop
Canadian Grocer

Cost of wholesaling groceries has shown a substantial drop in the U.S. in the past decade or two. A Harvard study of wholesaling several years ago put the actual cost of performing this function at about 16 per cent. Now a Dun & Bradstreet study in the grocery field indicates it is down an average of 9.6 per cent in the U.S.

Average for Canadian wholesale grocers should not be much different in view of the fact that similar conditions apply here. We have chains, voluntary chains, shorter credits, reduced inventories on part of wholesalers and retailers, more rapid turnovers, etc., etc. It all explains why the aggressive wholesaler has remained in the picture in spite of the prediction 15 years ago that he was being driven to the wall by the rapid marches of the chain. The latter has its own wholesale costs and has to perform most of the functions of the jobber himself. The fact that wholesalers have got their costs down has resulted in pegging pretty well the percentage of grocery business secured by the chains in Canada.

Too Much Railway
The Printed Word

Basically, our railway problem, however created, is that we have more track and more equipment than we can profitably use. The excess plant of both the publicly-owned and privately-owned systems was built with borrowed money and the loans continue to bear interest, even though the interest is not earned. Refunding of loans has decreased the interest charges, but until the net earnings of the roads are increased so that they become self-supporting, the debt will continue to mount.

The competition of other forms of transportation precludes the consideration of rate increases as a means of raising net earnings. In fact, the railways have more hope of regaining business lost to the motor truck if they decrease rates, or offer more service for the same rates as in the case of the pick up and delivery system now in force in some cities. The reduction of costs, however, still seems to be a matter for fruitful study.

The average Canadian has no objection to a railway earning a reasonable profit, for when the railways are prosperous the country is prosperous. What galls him in the present situation is that the railways are not earning a profit and, in the case of the C.N.R., he must pay the deficit in his taxes although he travels by car and ships his goods by truck. William Lyon Mackenzie is no longer available to lead a revolt, but perhaps his grandson can help without resort to arms.

In the Mail • •

A Prize Exhibit

Editor, The Financial Post:

Your editorial concern over the poor showmanship on the part of Canada at the Paris Exposition is shared or implied by several periodicals whose comments consist mainly of superlatives marking the brilliance of the Russian or German exhibits.

The citation of one of these periodicals, namely the London Spectator, should be sufficient to confirm, maybe to our mutual satisfaction, that the Canadian pavilion was somewhat drab and dull, for the Spectator merely mentioned the creche that was behind the Canadian pavilion.

That your good selves and the Spectator should agree, at least by implication, that Canada had failed to impress herself on Europe, made me reasonably sure that the question of Canada's lack of showmanship had been settled.

Imagine my astonishment then, on reading in the Toronto Saturday Night that Canada had been awarded "the" Diploma of Honor for general appearance of her building by the authorities of the Paris Exposition and that J. Emile Brunet had been awarded the Grand Prix for his low reliefs depicting Canadian industry. I think you will agree that the situation is a little confusing to anyone who, like myself, was unable to be present at the Exposition.

Should you consider this a matter worth clarifying, I shall be delighted to receive any further remarks you may care to make, particularly, as I cannot bring myself to think that the noted Parisian discernment has been swayed by political prejudice.

GEORGE TIPPET,
Halifax, N.S.

Editor's Note: The obtaining of these prizes by Canada is a definite and commendable achievement. Our criticism was not of the Canadian building so much as the failure of Canada to do herself justice in the various exhibits contained therein. We plan to make some specific suggestions along this line subsequently.

Canada's Corn Belt

Editor, The Financial Post:

I was deeply interested in reading the article which appeared in this week's edition, written by Prof. H. L. Stewart under the title, "Scandal of Food Imports."

We have a case in point in southwestern Ontario, an area known as the "corn belt" of Canada. It constitutes the only district in Canada enjoying soil and climatic conditions which lend themselves to the successful growing and maturing of corn. At present the area produces about one-half of Canada's requirements of corn and is easily capable of producing the entire quantity, yet Canada continues to import about 8,000,000 bushels annually, much of which comes from countries as far distant as South Africa and Argentina.

The difficulty seems to lie in the fact that Ontario corn growers have no facilities for the proper conditioning of their corn, for government grading and for proper assembly as required by the consuming trade. Great difficulty is experienced by the farmers in marketing present production in competition with imported corn due to the lack of such marketing equipment and increase in production is likewise retarded.

It would appear that the Dominion Government in devoting its entire attention to grain production in western Canada has overlooked the growing possibilities of Ontario. The farmers of the south-western counties have expressed their desire to grow more corn and have given evidence of their good faith by increasing their acreage by 33% during the past five years in spite of their marketing difficulties. Yet corn continues to be imported at the rate of about 8,000,000 bushels annually.

H. J. LASSALINE,
Sec'y Border Chamber of Commerce,

As Others See Us • • • •

Time For Action
Wolfville Acadian

Some weeks ago The Financial Post of Toronto, made a suggestion that seems to us worthy of careful consideration and ultimate action on the part of the federal authorities. It was that immediate steps be made in the direction of fitting for usefulness the many who in late years have been provided with relief because of economic conditions. In our mind it is one of the most useful and practical proposals that has been offered.

It would seem that the time had now come for action if the future of the Dominion is to be safeguarded. The idea of continuing people in idleness and perpetuating the conviction that the country owes a free living to so many of its citizens is inconceivable. If people are to be provided for, the task ought to be performed in a more scientific manner and instead of allowing slothful habits to be formed, the lessons of thrift and industry must be more fully imparted if we ever expect or hope to arrive at a bettered condition.

Libel on Western Canada
Major H. G. Strange, in Portage La Prairie Graphic

Studied statements have been made recently over and over again by A. G. Street, former Manitoba homesteader, noted English farmer and distinguished writer of novels on agricultural subjects.

Mr. Street's articles appeared in the "Financial Post" of Toronto, and in the "London Daily Telegraph"; they were broadcast by radio over Great Britain and then published in the "Listener," the British Broadcasting Corporation's journal.

I for one regard Mr. Street's statements as a definite libel on western Canada, and on our prairie farmers. The statements are simply untrue. Our farmers are not soil miners—they are not ruining the land—they are good husbandmen. Careful investigations made into rainfall and yields by the Research Department of the Searle Grain Company indicate clearly that whenever our prairies enjoy good rains, then do our fields once again become fertile and yield up bountiful crops.

Stop Me If You've Heard This One • •

A woman is defined as a person who can hurry through a drug store aisle 18 inches wide without brushing against the piled up tinware and then drive home and still knock off one of the doors of a 12-foot garage.

Week in Business

Expect Christmas Trade To Equal 1936 Volume

Now Catching Up After Belated Start in Eastern Canada — See End of United States Slump Early in 1938

Canadian business generally anticipates Christmas trade this season will be at least as good as that of a year ago, when volume was the best since 1930. If this expectation proves correct, and current reports are encouraging, then such a record will prove no mean achievement in view of the belated start this winter.

Cold weather, a vital factor in the moving of seasonal goods, came fully a fortnight later than usual this season and three weeks behind the first real snowfall in eastern Canada last year. Previous to the sharp drop in temperature there was no rush of shoppers in the big retail stores. While total volume of sales for the year still remained ahead of the same period in 1936 there was a considerable dropping off in early December. Now, with some snow on the ground, buying has stepped up quickly, but it will have to speed up still more in the next week if last year's record is to be equalled.

* * * *

Importance of December business and volume for the year to date is summarized in the current letter of the Royal Bank of Canada as follows:

"For most merchants December is the important month in the year. In variety stores, for instance, volume of trade is 100% ahead of the average of the other months of the year and for department stores the corresponding increase is 60%. With this large proportion of the total retail trade of the year in December it is important for the merchant to know how freely the public is buying at this season. Early reports are favorable; throughout 1937 sales have exceeded those of 1935 and 1936 by a satisfactory margin. A good Christmas trade may be anticipated.

"During 1937 the dollar volume of retail sales in Canada has been about 8% ahead of 1936 and about 16% ahead of 1935. Since the retail price index in Canada has advanced only about two points in the past two years, it follows that the gains just mentioned represent increases in the volume of goods moving into the hands of consumers."

* * * *

Though still too early to draw definite conclusions, indications are increasing that the bottom of the United States business depression has been reached. After declining steadily for the last three months, Barrons index of trade and production advanced more than two points to 65% of normal for the first week in December.

After pointing out that present American difficulties are political and not economic, and recovery will depend on Washington much more than Wall Street, Col. Leonard P. Ayers predicted before the Cleveland Chamber of Commerce, the other day, that:

"It seems probable that the bottom of the present slump in industrial production will be reached in the first half of next year, for operations have been curtailed so rapidly that in many lines we are already producing less than we are consuming. The recovery from that low point is bound to be much slower than the descent to it has been."

Now if the plain-spoken Colonel proves correct, then Canadian business has reasonable hope of largely escaping the serious reactions from the slump across the line for the simple reason that the United States will again be on the upward path before industry here really begins to feel anything radically wrong.

Business Indicators

Railway statistics again favorable with carloadings and gross earnings both railways up slightly for first week in December. Recent trend assures substantial lead for current year over 1936.

Domestic business through November holding well though gains less than during preceding month. D. B. S. index for first week in December advances.

Exports down sharply for November, but decline almost entirely due to shrinkage of wheat exports. All other major lines except lumber still running well above year ago.

Current trend in Canadian business is shown by The Financial Post's index of business activity, with new figures for the week marked thus▲:

Business Conditions—	Dec. 4	Nov. 27	Nov. 20	Nov. 13	Dec. 5/36
Weekly index, D.B.S.	▲106.1	103.6	105.1	109.3	112.0
Commodity prices	▲82.5	82.6	83.5	83.5	77.4
	Oct.	Sept.	Aug.	July	Oct., 1936
Financial Post Index	123.2	123.9	124.4	123.8	118.5
Retail trade (index no. of sales)	80.9	81.5	79.4	78.4	75.8
Wholesale trade•	3.3	12.0	9.0	8.2	9.8
Dept. store sales	79.9	80.1	80.8	76.6	77.2
Country gen. store sales•	5.1	5.0	3.0	13.7	...
Employment D.B.S. Index—	Nov. 1	Oct. 1	Sept. 1	Aug. 1	Nov. 1/36
All industries	125.2	125.7	123.2	120.0	111.0
Manufacturing	119.0	121.7	121.2	118.1	107.7
			Jan. 1 to date		
Transportation—	1937	1936	1937	1936	
Car loadings, week (Dec. 4)	▲50,568	49,586	2,457,415	2,294,212	
C.N.R. gr. earn., wk. (Dec. 7)	$ ▲3,757,486	$ 3,623,039	$ 185,934,988	$ 179,753,034	
C.P.R. gr. earn., wk. (Dec. 7)	$ ▲2,856,000	$ 2,806,000	$ 135,625,000	$ 129,113,000	
C.P.R. net revenue (Oct.)	$ 4,279,107	$ 4,403,183	$ 17,353,048	$ 16,230,651	
C.N.R. net revenue (Oct.)	$ 3,431,576	$ 3,638,519	$ 13,959,438	$ 9,843,980	
Iron and Steel (October)—					
Pig iron production (tons)	80,922	70,051	735,360	535,836	
Steel ingots and castings prod. (tons)	114,527	98,330	1,191,989	912,064	
Automobiles (Number)—					
Passenger Cars:					
Domestic sales* (Oct.)	4,356	2,825	100,622	79,119	
Factory output (October)	7,378	4,592	125,194	104,680	
Trucks and Buses:					
Domestic sales* (Oct.)	1,491	1,196	26,954	19,215	
Factory output (October)	725	769	44,580	26,419	
Exports (October)	4,090	2,922	59,508	46,699	
Financing (October):					
Used	$ 2,240,600	$ 1,749,543	$ 31,042,207	$ 22,308,625	
New	$ 2,051,859	$ 1,543,324	$ 35,672,229	$ 26,314,098	
Construction—					
Cons. contracts (Nov.)	$ 14,716,300	$ 13,840,400	$ 213,293,100	$ 156,469,200	
Production—					
Cement, bbs. (Sept.)	▲937,749	710,390	4,769,695	3,514,921	
Clay (Aug.)	$ 485,653	$ 410,243	$ 2,594,151	$ 2,187,618	
Gypsum, tons (Sept.)	▲146,582	87,510	767,006	541,362	
Agriculture—					
Flour prod., bbls. (Oct.)	1,489,185	1,701,267	11,116,478	12,408,093	
Flour exp., bbls. (Nov.)	▲405,921	406,653	3,749,333	4,374,788	
Wheat exp., bus. (Nov.)	▲14,542,227	33,306,840	89,372,080	222,612,614	
Cattle sales (Oct).	126,578	114,350	853,211	735,886	
Hog sales (Oct.)	90,274	112,461	835,262	793,834	
Sea Fisheries—(Oct.)‡—					
Catch, cwts.	841,664	1,092,880	7,943,213	7,969,741	
Landed value	$ 1,014,615	1,005,188	15,469,240	14,391,261	
Newsprint (tons)—					
Production (November)	▲302,236	285,771	3,345,197	2,890,602	
Exports (October)	302,325	280,732	2,830,852	2,411,019	
Mining—					
Coal prod., tons (October)	1,694,210	1,808,166	12,487,794	12,264,946	
Coal imports, tons (Oct.)	1,837,501	1,633,744	13,375,924	11,001,744	
Gold prod., fine oz. (Sept.)	348,109	332,435	3,017,334	2,759,752	
Nickel prod., lb. (Sept.)	19,022,019	15,905,474	166,862,938	123,832,594	
Copper prod., lb. (Sept.)	48,045,881	36,132,444	377,945,306	305,767,440	
Electric Power Output (Oct.)—					
Total monthly m.k.h.†	2,365,062	2,280,508	22,702,265	20,806,580	
Trade—					
Imports (October)	$ 82,112,749	$ 65,158,561	$ 675,130,782	$ 516,024,934	
Exports (November)	$ ▲107,817,516	$ 122,866,120	$1,036,006,513	$ 928,495,280	
Other Industrial Factors—					
Dressed lumber, exp.:					
M. bd. ft. (October)	149,547	185,338	1,576,946	1,392,309	
Boot & shoe prod., pr. (Oct.)	▲1,984,112	1,927,901	21,100,634	18,746,259	
Crude petrol., imp. gal. (Oct.)	58,839,605	158,755,174	1,037,396,630	1,037,902,067	
Cotton imports, lb. (Oct.)	19,112,693	16,542,791	121,285,935	106,339,870	
Raw rubber imp., lb. (Oct.)	13,436,546	6,965,578	64,247,083	50,099,859	
Cigarette cons (Oct.) No.†	578,668	551,363	5,579,678	4,633,928	
Sugar manufactured, lb.§	158,865,134	141,335,351	792,999,928	802,444,724	
Finance—					
Bank debits (October)†	$ 2,905,803	$ 3,328,226	$ 29,159,031	$ 29,221,453	
Bond sales (November)	$ ▲221,661,218	$ 49,030,271	$1,188,242,832	$1,201,936,567	
Life insurance (October)	$ 33,762,000	$ 29,492,000	$ 314,650,000	$ 291,702,000	

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For four weeks to Nov. 6.
•Percentage increase over last year. ▲567 commodities.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.

Record Your Investments

The end of the year is a suitable time to record your investments and have them reported on.

Our "Record of Securities" folder will enable you to list bond and share holdings, interest and dividend payments, etc., in convenient form. We shall be glad to send you a copy on request, and also to review your holdings if desired.

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B.C. to Fix Fuel Prices Via Dictator

Swift Move Follows Report of Macdonald Commission Hearing

BITTERLY OPPOSED

From Our Own Correspondent

VANCOUVER.—British Columbia is to have a fuel dictator, with authority to regulate the coal and gasoline industries even to the extent of fixing prices.

The Government has not announced yet who the dictator will be, but it is understood that Dr. W. A. Carrothers, sole survivor of Premier T. D. Pattullo's much-publicized "brain trust," is favored for the post.

Action of the Government in providing for fuel control came as a swift sequel to the report presented by the Commission headed by Judge M. A. Macdonald, declaring that the people of British Columbia had been paying excessive prices for coal and gasoline.

Want Commission

Members of the opposition in the legislature are not satisfied with the appointment of a board to regulate fuel prices and trade practices alone. They believe that the province should have a full-fledged utilities commission with authority over electric power, tramways, telephones, telegraphs, etc. Premier Pattullo long ago said his government was committed to the appointment of a commission, but intimated a few weeks ago that this probably would be delayed until next year.

"Deliberate Distortion"

Meanwhile representatives of the oil industry are presenting their side of the case, and Charles E. Anstie, vice-president of Shell Oil Co. of British Columbia, their chief spokesman, has issued a statement accusing the Macdonald Commission of "almost deliberate" distortion and ignoring of facts.

The government's proposed act forbids any practice which, in the judgment of the board, increases unduly or might tend to increase unduly the price of coal or petroleum products to the consumer, and "every person who, after receiving notice from the board to refrain from such practice, continues to engage in or carry on the same, shall be guilty of an offense against this Act."

The board is given wide powers to license coal and oil operators, set license fees and refuse, suspend or cancel licenses at any time, thus putting the operator out of business. The board, with the consent of the Cabinet, may fix prices governing sales throughout the province. The board will also have authority to establish standards of petroleum products and enforce grading.

Report Criticized

In his criticism of the Macdonald report, Mr. Anstie says the report shows bias and lack of expert knowledge of the oil industry. He points out that the "sales realization method" of accounting, condemned in the report, is accepted by the industry everywhere. He disagrees with the contention that fuel oil is regarded as the main product of B.C. refineries; actually, he claims, it is a minor one.

Livestock Output Higher in West

"Western livestock production is increasing," states R. D. Colquette, joint editor of Country Guide, Winnipeg.

In the first 46 weeks of this year the number of hogs graded at western stockyards and packing plants was 1,549,801, or over 30,000 more than in the corresponding period last year. A notable change that will tend toward improvement is taking place in marketing. It is the rapid increase in rail grading, that is, grading the carcass and paying for it on that basis, such as is universally done in Denmark.

"Exports of livestock from the Prairie Provinces and B.C. to the United States have shown the importance of that market to livestock men. Up to Nov. 18 the number of animals moving south from these four provinces was: cattle, 113,864 head; calves, 32,345 head, and hogs, 15,503 head.

"Shipments of livestock to eastern Canada for the first 45 weeks of the year were 230,509 cattle, 25,866 calves, 44,122 hogs and 113,859 sheep. This movement of livestock to outside markets brings money into the western area for spending here. Nor should we forget the great expansion in recent years of the packing industry in the West for processing meats and shipping the product in the finished form to outside markets."

Background of Business

Sales Holding

November department store sales in United States show little change from October, although a slight increase is usual at this season and consequently Federal Reserve System index declined slightly from 93 to 91%. With seasonal adjustment this index shows November 91, October 93, September 94, November, 1936, 94. For the 11 months ended November, increase over last year amounted to 7%, with the largest gains made in the Cleveland and Chicago districts. Generally the Middle West has made the best showing this year with the Far West next and the eastern seaboard least.

* * *

Lack Trained Men

One of the greatest of all economic tragedies, states Canadian Machinery, is the vast number of ambitious and intelligent young men who have been unable to get jobs during recent years. Many of these men, through lack of opportunity to find suitable employment and become self-supporting citizens, have lost heart and also they have lost time which is so fundamentally important in building a career. Unfortunately, many companies have had neither the work nor the money to take these youngesters into business for training and this lack of new blood is very apparent in factories today. Many trained and valuable men who were in their late fifties in 1929 have no successors.

Lack of apprentices in the various trades is also reported. The problem is attracting the attention of educational leaders, government and business men and many schemes are under consideration at the moment in an effort to make up for lost time.

Canadian Machinery points out that several large Canadian companies have already in recent months undertaken training or apprentice schemes but it concludes that this movement will have to be widened considerably or there will be an inevitable shortage of skilled mechanics and a dearth of trained supervisory staff.

* * *

Best Sellers

A. J. Cronin's "The Citadel" appears to be the most popular fiction in Canada at the present time according to the current survey of Bookseller and Stationer. Not only is this book by an Old Country doctor listed right at the top of the best sellers by several book stores, but it takes leading position in half of the reports from the lending libraries as well. Second position appears to be divided between "North-West Passage" and "And So Victoria."

In the non-fiction class, there are no clear-cut leaders but Canadians appear to be still concentrating on "How to Win Friends and Influence People," "Orchids On Your Budget," "The Water Drinkers," "Ordeal in England" and "Life With Mother."

* * *

"Labor Saving" Machinery

The cry against so-called labor-saving machinery has not entirely died out, argues Canadian Machinery. This publication quotes a motion recently passed by the Ottawa city council which proposes asking the Ontario Government to levy a tax on labor-saving machinery "responsible for unemployment." Canadian Machinery comments:

"To a generation which knows nothing of industrial history, the revival of this outcry against machines seems convincing. The evidence to the contrary, however, is right in front of the eyes of anybody who will look for it. The best example is in the automobile industry. More automobiles have been made and sold in the past year than almost ever before. Without the labor-saving machines referred to by the Ottawa city council, it would be absolutely impossible to produce automobiles at the price at which they are produced today, a price which places the automobile within the reach of an enormous part of the population."

* * *

Apple by-products

A tenfold expansion in the Nova Scotia apple canning industry is reported. This season the seven factories engaged in this business in that province will turn out 300,000 cases of canned apples or more than a third above last year. The apple canning industry, states the Nova Scotia Market Branch, annually spends half a million dollars in its operations. It utilizes over 150,000 barrels of off-grade apples, 2,600 tons of coal and approximately $125,000 worth of cans.

Production of apple by-products in the form of canned and evaporated apples, cider and vinegar has brought double benefit to growers. There has developed a substantial source of income from such products and, in addition, utilization of low-grade or damaged fruit in this manner has resulted in higher quality on the fresh apple market and better prices.

'WINDSOR' SALT

STEPS OUT!

No ONE disputes that Salt is a necessity. It is one of the most commonly used household articles.

So the Salt Division of Canadian Industries Limited had a bigger task than simply to tell the story of "Windsor" Salt's superfine quality. The product itself had first to be given glamour and interest to lift it out of the commonplace.

So, before advertising came *package* design! Set forth in smart white, blue and red . . . wrapped in glistening moisture-proof "Cellophane" . . . salt became interesting, attractive merchandise.

Then consumer advertising: if you have seen the "Sunday roast" page in full colour in recent magazines, for example, you know how successfully appetite appeal and package identification *can* be combined!

Results to date: The deluxe package of "Windsor" Salt in "Cellophane", introduced in August, 1936, is already the largest-selling package of household salt in Canada.

The Salt Division of Canadian Industries Limited has been a client since January, 1936.

J. WALTER THOMPSON
Company, Limited

Serving 38 of Canada's leading advertisers, directing campaigns for these, among other products: CHASE & SANBORN COFFEE, J. B. WILLIAMS SHAVING SOAP AND CREAM, BROMO-SELTZER, SWIFT'S PREMIUM HAMS AND BACON, GILLETT'S LYE, CREAM OF WHEAT, ODORONO, DR. WEST TOOTH BRUSHES AND TOOTH PASTE.

Better Crops Aid Sales in Manitoba

Rural Merchants Ordering Additional Supplies

By STAFF WRITER

WINNIPEG.—Higher income as a result of better crops has given an impetus to business in rural Manitoba. Many general merchants report that their winter stocks have been substantially depleted and that they have been forced to order additional supplies.

The city of Winnipeg has not benefitted to the same extent as has rural Manitoba. While higher agricultural income in Manitoba is reflected in better business in Winnipeg, it also depends to a large extent for its prosperity on Saskatchewan. Many of the distributing firms supplying goods to Saskatchewan merchants are located in Winnipeg.

Implement firms and automobile firms both report better sales and collections in Manitoba. So good are crops in some parts of the province that farmers who had poor crops last year are in a position to make substantial purchases.

Businessmen here feel that present conditions illustrate the recuperative powers of the West. They point out that many farmers have used returns from their good crop to reduce their obligations. If another good crop is secured next year there should be a big demand for goods.

Home Improvement Loans Give Work to 60,000

Arthur B. Purvis, chairman of the National Employment Commission, estimates that the Home Improvement Plan of that Commission has given work to no less than 60,000 men since the plan was put into operation a ear ago. While actually there have only been 30,000 guaranteed loans during this period involving $12 millions, Mr. Purvis estimated that for every dollar spent directly under the plan at least four other dollars were spent on affiliated work. A total of from $60 to $75 millions therefore has been put into this type of construction during the year. This, he points out, had been accomplished without any governmental expenses, the delinquencies on loans under the plan having been negligible.

Bankruptcies

The Canada Gazette reports meeting of creditors in the matter of:

British Columbia
International Lime Corp. Ltd., Vancouver.

Manitoba
Seagrim, H. C., St. Vital.
Boittiaux, E., Winnipeg.

New Brunswick
Levesque, D., Val D'Amour.

Nova Scotia
Ryan, P. K., Windsor.

Ontario
Gudgin, H. O., Cobourg.
Charlton, K. L., Hamilton.

Quebec
Haward Dress Mfg. Co., Montreal.
Dalfen, S., Val D'Or.
Taylor, Ltd., J. A., Montreal.
Metro Dress Co. Inc., Montreal.
Leclaire Ltd. Lachine.
Poirier, M. L., Verdun.
Bedard, R. A., St. Lambert.
Dupuis, R., Montreal.
Fortier, J. E., Montreal.
Galeries (Les) d'Ameublement Baillargeon Ltd., Montreal.

Saskatchewan
Phalen, C. E., Aylsham.

Foreign Business

United States Department of Commerce summarizes foreign business as follows:

Mexico—A slight improvement in business conditions occurred during the latter half of November, despite tight credit and loan conditions.

Guatemala—Activities connected with the National Fair have served to soften temporarily the effect of the disturbed coffee situation.

Honduras—Banana shipments continue to decline and unsatisfactory trading conditions are reported from all parts of the country.

Costa Rica—Retail sales increased in November, but uncertainty prevails over the coffee situation.

Panama—Business is optimistic regarding prospects for a full tourist season, but there is concern over shipping developments.

Colombia—Apprehension over the coffee situation, together with other developments disturbing to external commerce, has created a feeling of general uncertainty throughout the Republic.

Switzerland—The situation in Swiss business is considerably better than a year ago, although recovery in several domestic industries is still hampered by the existence of heavy stocks purchased just after devaluation.

China—A number of shipping services to Shanghai are being resumed; many Chinese-owned coast-trade and river vessels are now out of operation.

Sweden—The wage agreement in the iron and steel industry has been renewed, involving wage increases averaging 7½%.

Poland—Business activity experienced a slight further recession during October after reaching a high level earlier in the year.

Union of South Africa—Prospects for sales of imported merchandise remain good; the recession in trade and building activity at Johannesburg persists, owing largely to the weakness of gold mining share quotations.

Baltic States—Foreign trade of the three Baltic States, Esthonia, Latvia and Lithuania, has improved considerably this year; imports from the United States also showed gain.

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We have prepared a brief analysis of the earnings of these companies after giving effect to the new contracts with the Hydro Electric Power Commission of Ontario. A copy will be mailed upon request.

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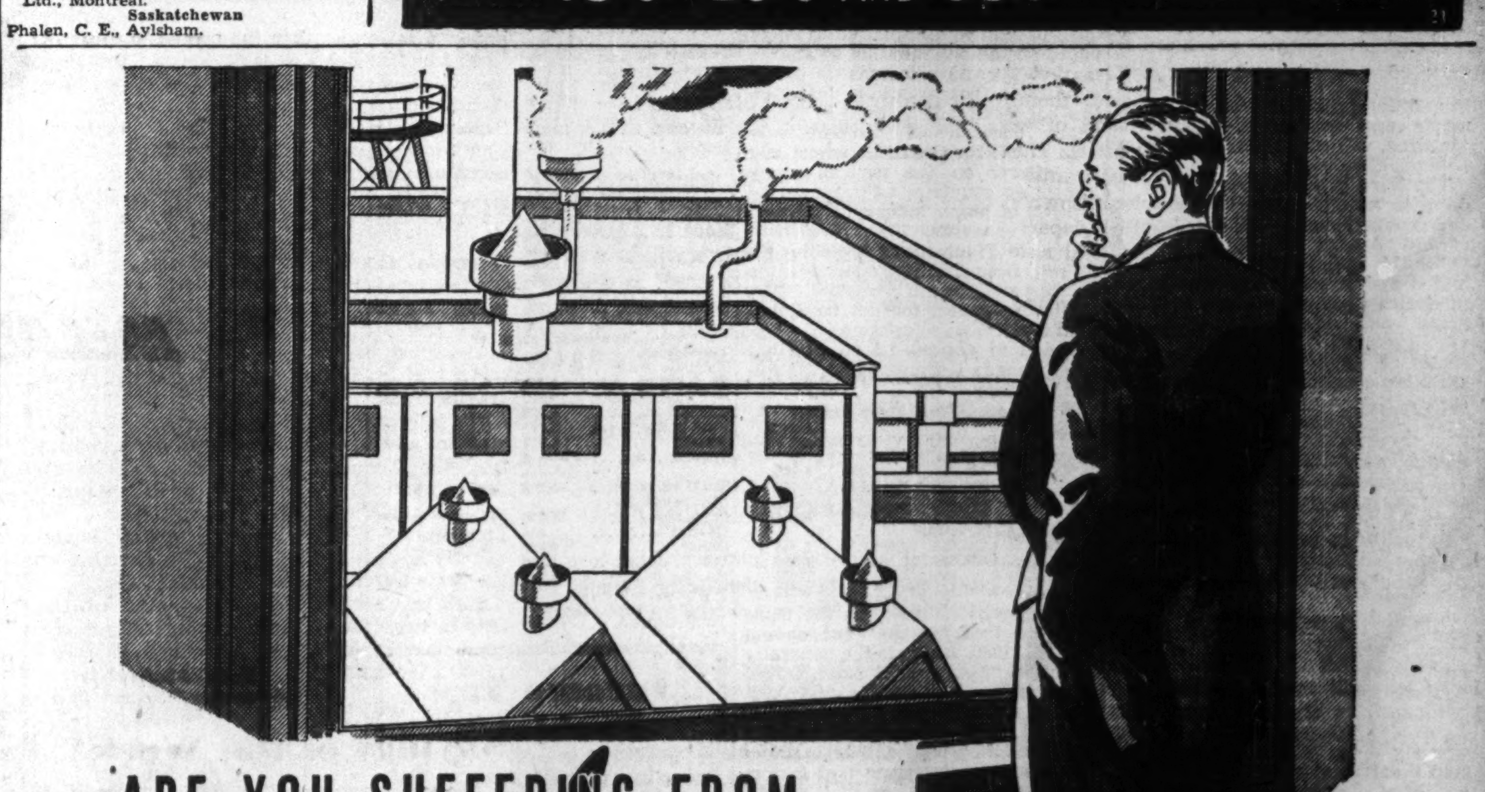

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No matter if it is a production problem . . . a matter of waste . . . a sales difficulty . . . whether it be in the plant or the front office . . . May Engineers, highly trained and with years of experience in this work, will find it, and show how by using May Methods costs can be reduced and greater profits obtained . . . usually with higher wages.

Call or write the nearest George S. May office for a consultation. It will cost you nothing. . . and may save you from profitless prosperity.

May Methods Saved This Electrical Tool Company Over $18,140.00

Our report to this concern promised a saving of 17% of cost. In 16 weeks' time our engineer had analyzed 300 operations affecting 70% of the company's labor, and our savings had exceeded our estimates by 2%. Operators earned from 5% to 15% more money, and waste was reduced 15%.

This Glass Company Saved $24,922.00 With May Methods

Here we estimated a saving of $22,150, but when May Methods were actually in use, the savings exceeded our estimate by 8%. Production was increased on over half the operation . . . in some cases over 100% . . . and employees' wages were raised from 5% to 12%.

ENGINEERS

GEORGE S. MAY, LIMITED
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Investment Analysis

Ogilvie Flour

Split in Stock Creates Wider Interest Among Small Investors in One of Empire's Largest Milling Concerns

From Our Own Correspondent

MONTREAL.—Ogilvie Flour Mills shareholders will meet about the middle of next month to consider the recommendation that the common stock be split eight for one. The splitting of the stock has been recommended by the board to ensure a freer market, less likelihood of drastic fluctuations in times of financial depression, and shares more readily available, particularly to the small investor.

Hitherto Ogilvie's stock has been considered in the "blue-chip" class and out of the range of the ordinary investor. During the worst of the depression the market value of the stock slipped to 85, but generally it has been selling considerably higher. In anticipation of the split, the stock is currently selling on an if, as and when basis of around 27-28. At this level the stock is within the reach of the ordinary investor.

The original business was established in 1801 while in 1852 A. W. Ogilvie and James Gouldie went into partnership and laid the foundations for the present company. In 1902 the Ogilvie Flour Mills Co. was incorporated to acquire the property and assets of W. W. Ogilvie Milling Co. and The Ogilvie Milling Co. The present company goes back to 1924 when Dominion incorporation papers were taken out giving greater power to handle its widening interests.

Holds Extensive Properties

Primarily Ogilvie is engaged in the milling of flour, meal and other cereal products. It operates seven mills at Montreal, Winnipeg, Fort William, Medicine Hat and Edmonton, with a combined daily capacity of 16,500 bbls. of flour and 2,250 bbls. of cereal products, corn, rye, barley etc.

The company also owns eight terminal elevators and 154 country elevators located in various parts of the West, having a total storage capacity of approximately 9 million bushels of wheat. It owns a number of warehouses which have a total storage capacity of 450,000 bbls. of flour.

These extensive properties are shown on the balance sheet at a book value of $6,325,323 and a depreciated value of $2,805,683. The latter must be considered an exceedingly conservative figure and far below the actual reproduction value of the properties. This practice of placing a very moderate valuation on assets is typical of the management's general policy, as will be shown later when discussing the company's investments.

During the course of many years Ogilvie has acquired an interest in allied enterprises. In some cases this interest represents complete ownership and, in others, partial ownership.

Investments Are Important

At the end of last August the company held shares to the value of $399,288 in partly-owned subsidiaries. This was after providing for a reserve, the amount of which is not mentioned. These partly-owned subsidiaries owed the company $14,569. In addition Ogilvie has other investments and mortgages, again not specified, valued on the books, after reserve, at $850,657.

The third division of assets has to do with wholly-owned subsidiaries and general investments. At the end of last August the company had $1,840,274 invested in bonds, preferred and common stocks; $155,000 in shares of wholly-owned subsidiaries; and $1,450,618 owing by wholly-owned subsidiaries. The assets of these wholly-owned subsidiaries consist of marketable securities.

The book value of the third division investments at the end of last August was $3,445,892. This in itself is a respectable sum, but once again the ultra-conservative policy of the management is evidenced by the fact that these investments as shown in the tabulation below had a market value on the same date of $9,633,000.

	Book Value	Market Value	Income
1937 ...	$3,445,892	$9,633,000	$525,961
1936 ..	4,998,349	9,171,211	473,190
1935 ..	5,087,951	7,478,092	341,779

Strong Financial Position

Financially Ogilvie Flour Mills holds a very strong position. As has already been shown its property and investment accounts are devoid of inflated values. The difference between the book and value market is such that the company has a "cushion" which should see it through even the most difficult of times. Further the company has always maintained a strong net working capital position. This is shown in the following table:

Net Working Capital

1931 ...	$8,843,966	1934	$7,005,758
1932	†5,736,684	1935	‡7,125,339
1933 .. .	6,868,822	1936	‡7,315,741
1937	‡8,062,682		

†Including investments at market value which were lower than book value by $956,648.

‡Including investments at book value which were lower than market value by $6,187,108 in 1937; $4,172,862 in 1936 and $2,392,141 in 1935.

Additional evidence of the conservative accounting practices of the management is shown in the $1 value placed against the goodwill, trademarks, patent rights, etc.

Following the split in the common shares, Ogilvie will have outstanding $2 million 7% cumulative preference shares and 600,000 no par value common shares.

Excellent Dividend Record

Ever since the original Ogilvie Flour Mills was formed in 1902, the company has never failed to pay dividends on its common stock. Generally the company has followed the policy of paying a regular rate, well within its earning power and, at the year-end a bonus. The extent of the bonus, of course, has varied from time to time.

Considered in relation to the new stock, it is of interest to note the distribution made since 1926. In each case the bonus has been added to the regular payment and the total divided by eight, so as to show what amount was paid had the number of shares been the same as is proposed after the split:

(Distribution made on common shares based upon amount outstanding after share-split)

1926	$1.25	1929	$3.15
1927	1.87½	1930	1.62½
1928	2.50	1931-37	1.00

Note:—Bonus equal to 25 cents a share payable January 3 to shareholders of record December 15.

Earnings Show Consistency

Earnings of the company have held up consistently. Even during the depression years Ogilvie was able to report a steady, though moderate, increase in earnings. The trend of earnings on the basis of the split stock follows:

Earnings per Share, Based on Number of Shares Outstanding After Split-up

1931	$1.02	1935	$1.01
1932	1.01	1936	1.32
1933	1.01	1937	1.54
1934	1.01		

In view of the difficulties which the company has had to contend with during the depression years it is only reasonable to assume that Ogilvie will be able to maintain a regular dividend of $1 a share on the new stock. Further, it is also reasonable to assume that from time to time, the company will be able to distribute bonuses to the shareholders depending upon the outcome of the year's operation.

Unfavorable Export Trend

No discussion of a Canadian flour milling concern is complete, however, without mention of the export situation. The industry in Canada has built up its productive capacity based on the continuation of a large market for its products in other countries. This market, however, has been difficult to hold in recent years because of comparatively high prices for Canadian wheat and the efforts on the part of many importing countries to promote the growth of home industries through bonuses or tariffs.

Ogilvie Flour ranks with the six largest flour milling companies in Canada and has an important interest in the export market for Canadian flour.

Trend in exports of wheat flour from Canada is shown from the following figures:

Canadian Wheat Flour Exports

	Quantity bbls.	Value $	Average Export Price $
November:			
1937	405,921	2,431,046	5.989
1936	408,653	1,939,289	4.746
1935	525,368	2,217,926	4.222
1934	504,384	1,982,803	3.931
12 Mos. end. Nov. 30:			
1937	4,224,615	24,268,856	5.745
1936	4,818,617	20,143,033	4.180
1935	4,777,980	18,431,572	3.858
1934	5,131,164	18,551,710	3.615

Those well informed in the trade estimate that for the year ending Aug. 31, 1938, which is the generally accepted "flour year," exports will show an average decline of 100,000 barrels a month over the year ended Aug. 31, 1937. Shortage of supplies of Canadian wheat and high prices are the two most important factors contributing to this result. It will be the fall of 1938 before there is much possibility of millers obtaining flour at lower prices and then it will depend on the 1938 wheat crop.

Books to read and recommend . . .

GREAT CONTEMPORARIES
By Winston Churchill
Twenty-one biographical essays which cover a wide and varied field, including sketches of such colourful personages as Hitler, Trotsky, T. E. Lawrence, Bernard Shaw, etc. $4.50

CANADA, the PACIFIC and WAR
By William Strange
An introductory survey for the reader who is interested in and perturbed about what is happening in the Far East. "International Affairs Book One" $1.75

WORLD CURRENTS and CANADA'S COURSE
A study of the external and internal currents affecting Canada's social and economic policies as discussed by able leaders at the 1937 Conference of the Canadian Institute on Economics and Politics .... Cloth $1.50, Paper $1.00

AND SO - - VICTORIA
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Dom. Revenue Continues Up

Balanced Budget Doubtful as Deficits Expected in Winter Months

Receipts of the Dominion Government for the eight months ended Nov. 30 were $57.2 millions greater than in the same period a year ago. Surplus to that date in the fiscal year is reported at nearly $38.6 millions as compared with a deficit of $21 millions for the corresponding period last year.

This is the time in the fiscal year when expenditures generally exceed revenues. Last October, deficit for the month was $12 millions; last November, $13.2 millions. This year the October monthly deficit was $8.3 millions, and November's figure was $7 millions. Revenues have continued to gain, which accounts for most of the improvement over last year. For example, receipts from excise taxes, sales and stamps, etc., were $18.3 millions in November, compared with $14.9 millions in September of this year and $14.7 millions in November, 1936. Customs duties and excise duties also show substantial gains over last year.

Ordinary expenditures are $7.9 millions higher than in the same eight months of the 1936 fiscal year. In this category, subsidies and grants to provinces are up $1.1 millions, old-age pensions account for a $6 million increase, national defense appropriations are $4.5 millions greater, and post office expenditures increased by $1 million. Interest on public debt has required $3.3 millions less.

Relief Costs Down

Expenditures for relief have shown an encouraging decrease so far this year. Budget estimates allowed $59 millions for this purpose and with eight months gone, only $28.7 millions has been spent. The four winter months will probably see heavy expenditures, however. Drought area relief has accounted for $4.6 millions expenditure to Nov. 30, compared with $1.4 millions spent in the same eight months of 1936, but of the latter amount, $1.2 millions was spent in the month of November alone. Grants-in-aid to the provinces and Government relief works have shown substantial declines.

The C.N.R. deficit has required more funds than last year, with $30.7 million reported for this account in the eight months ended Nov. 30.

Will the Budget Balance?

If there is any slackening in business activity, it is not yet apparent from tax receipts. A temporary recession, if it developed, would tend to accentuate the seasonal uptrend in relief costs. Excess of expenditures over receipts in the last two months has reduced surplus on the year's operations from $53.9 millions to $38.6 millions, and further monthly deficits are to be expected as tax receipts are largely concentrated in the six months from April to September. Hon C. A. Dunning, minister of finance, budgeted for a deficit of $35 millions in the fiscal year ending March 31, 1938.

Dominion Government Revenue and Expenditure Eight Months Ended Nov. 30

Revenue:	1937 $ 000's	1936 $ 000's	Change $ 000's
Customs duty ..	66,307	54,500	+11,807
Excise duty	36,721	31,723	+4,998
Exc. & sales tax	119,876	94,590	+25,286
Income tax	102,366	87,655	+14,711
Post office	21,300	20,291	+1,009
Sundry	12,898	14,246	—1,348
Special	862	127	+735
Total revenue ..	360,330	303,132	+57,198
Expenditure:			
Ordinary	257,346	249,392	+7,954
Capital	2,847	2,889	—42
Relief	28,712	42,502	—13,790
C.N.R. deficit ..	30,750	28,500	+2,250
Harbor Board ..	1,874	663	+1,211
Write-off	228	239	—11
Total expend. ..	321,757	324,185	—2,428
Month of November			
Revenue:			
Customs duty ..	9,196	7,673	+1,523
Excise duty	4,885	4,161	+724
Exc. & sales tax	18,270	14,674	+3,596
Income tax	3,336	4,817	—1,481
Post office	3,025	3,149	—124
Sundry	1,859	1,843	+16
Special	2	3	—1
Total revenue ..	40,573	36,320	+4,253
Expenditure:			
Ordinary	39,390	41,333	—1,943
Capital	315	152	+163
Relief	4,949	8,025	—3,076
C.N.R. deficit ..	1,500	....	+1,500
Harbor Board ..	1,347	20	+1,327
Write-off	47	35	+12
Total expend. ..	47,548	49,565	—2,017

Income Tax Problems

A client of mine living in England draws an important part of his income from investments in the United States. I understand that recent changes in income tax regulations affect the plan we have been following in which the money is sent from the United States to me in Canada and I then send it on to my client in England. What is the new situation on this point?

Under the new regulations, there will no longer be any income tax advantage for your client in receiving his money through you. In Oct., 1937, long negotiations between the Canadian and United States governments were terminated and the Reciprocal Tax Convention was created.

Under the 1936 U.S. Revenue Act, a Canadian who received income from a U. S. source was charged 10% income tax at the source. Under the Canadian Act, an American who received income from a Canadian source was charged 5%.

Under the terms of the reciprocal convention, the 5% rate is now charged on income crossing the border either way, thereby giving Canadians and Americans income tax equality on "exported" income.

But for all other countries the old 10% rate continues. The U. S. complained that under the new convention, there was an inducement for residents of other countries to establish agents in Canada so as to save the 5% difference between U. S. and Canadian income tax deductions on exported wealth.

You will now be responsible for deducting another 5% from your client's income before you "export" it to him in England, so that a total of 10% will be deducted.

B. C. Cheese Output

According to a revised federal report British Columbia produced 463,200 pounds of factory cheese last year, worth $69,500, and 68,000 pounds of farm-made cheese at $17,000.

C.P.R. May Earn 40c a Share On Ordinary Stock This Year

From Our Own Correspondent

MONTREAL. — Earlier estimates that the Canadian Pacific Railway would show $10 millions of net earnings available on the capital stock, have to be revised in view of the larger bonus paid by Consolidated Mining & Smelting Co. of Canada, in which the C.P.R. owns a 51% interest. Earnings on the ordinary shares in 1937 now may reach 40 cents a share, as against 4 cents a share in 1936.

Expectations had been that Smelters would pay $3 a share for all of 1937, which would have given the parent company an income on its 1,682,500 shares of $5,047,500. Instead, the regular payment and bonus amounted to $3.50 a share, increasing income from this source to $5,888,750.

As railway earnings of late have continued favorable, it is to be expected that the original estimate of $10 millions of earnings will be reached. Added to this the increase in the expected bonus, the C. P. R. will have a net income in the neighborhood of $10.9 millions.

Provision for the dividend on the non-cumulative preference shares, amounting to $5,490,028, would leave a net profit available on the ordinary shares of just under $5.4 millions. This would be equal to around 40 cents a share on the C. P. R.'s outstanding 13,400,000 shares.

Fanny Farmer Sales Profits Up

Eleven Months Net Is 30.83% Above Last Year's Figure

Continued improvement in business was reported by Fanny Farmer Candy Shops Inc. in November, when sales increased $66,620 over the corresponding month of 1936. Profits after depreciation but before federal income tax were $14,325 higher.

Total sales for the first 11 months of the year increased by $809,376, and profits by $148,499. Comparative figures follow:

Sales and Profits

November:	1937 $	1936 $	Incr. %
Sales	549,439	482,819	13.80
Profits	71,597	57,272	25.01
11 Mos. end. Nov. 30:			
Sales	5,438,997	4,629,621	17.48
Profits	630,194	481,695	30.83

Walkerville Brewery Sales Increase 33 1/3%

Walkerville Brewery Ltd. reports that sales so far in 1937 have shown an increase of 33 1/3% over the same period of 1936. Ratio of bottled beer is considerably improved over last year. Approximately $30,000 has been spent this year on plant improvements, including new boilers and equipment and a sprinkler installation.

Directors have declared a dividend of 2½ cents a share, payable Jan. 15, 1938, to shareholders of record Jan. 5. This is the first dividend payment since March, 1931.

Robinson Cone Co. Net 51c Per Share

Net profit of 51 cents per share after all charges is reported by Robinson Consolidated Cone Co. for the year ended Sept. 30, 1937, compared with dividend requirements of $1, of which 50 cents was paid out of earnings and 50 cents out of distributable surplus.

Financial position is strong, current assets being slightly more than 10 times current liabilities. Working capital amounted to $299,899 compared with $307,077 at the end of the previous year.

Comparative profit and loss, and surplus figures follow:

Profit and Loss Statement Year Ended Sept. 30, 1937

	$
Operating profit	46,286
Less: Depreciation	20,455
Executive salary	2,340
Legal fees	671
Add: Interest and dividends	10,602
Less: Income taxes	5,307
Net profit	28,115
Surplus Account	
Balance, Sept. 30, 1936	‡6,380
Add: Net profits	28,115
Profit on investment sale	532
Less: Dividends	27,492
Surplus forward	‡5,225
‡Deficit.	
Distributable Surplus	
Balance, Sept. 30, 1936	117,524
Distributed during year	27,492
Surplus forward	90,032
Working Capital	
Current assets	†332,987
Current liabilities	33,088
Working capital	299,899

†Including investments with market value $135,165, carried at $109,841.

Hamilton, Ont.—The city will require $70,000 more for debt retirements in 1938 than in 1937. In 1939, the amount will be $90,000 less than for 1938, and 1940 requirements will be $450,000 lower, or nearly three mills of the tax rate.

Gatineau Plans For Refunding

Hydro Deal Helps Refinancing of Debentures, Says Gordon Gale

From Our Own Correspondent

MONTREAL.—Refunding of Gatineau Power's 6% debentures, which would ordinarily mature in 1941, may be expected soon, dependent on the general market situation for securities, according to a statement released by G. Gordon Gale, president.

The new agreement with Ontario Hydro-Electric Power Commission increasing power deliveries and extending the contract to 1970, improved the ability of the company to refinance on a favorable basis, as the old contract was for only ten years from 1936.

Gatineau Power has two debenture issues outstanding, aggregating $15,340,500. The first issue of $12.5 millions of 6% sinking fund debentures was sold to the public in July, 1926, by Harris Forbes & Co. and syndicate. Through the operation of the sinking fund, the amount outstanding was reduced to $8,599,000 at the end of last year.

The second issue of $7.5 millions, sold through a syndicate headed by Chase Securities Corp., was brought out in Sept., 1928. This issue differs from the other in that it has no sinking fund. However, the company has purchased these debentures from time to time and at the end of last year there were outstanding $6,741,500.

In presenting the plan under which Gatineau Power absorbed Canadian Hydro-Electric, directors pointed out that one of the chief reasons for the compromise was to facilitate the refunding of the Gatineau debentures.

With extension of the Ontario Hydro contract and improvement in earning power, Gatineau should be able to refund these debentures on a favorable basis: the present rate of 6% might be scaled down to 5% or even less.

Maritime Tel. and Tel. Toll Traffic Still Ahead

From Our Own Correspondent

MONTREAL. — Maritime Telegraph & Telephone Co. reports a further improvement in long distance toll traffic. During October 135,585 completed calls were handled. In each of the last ten months the number of completed calls exceeded that of the corresponding month in 1936.

At the end of October the company had in operation 40,916 stations, a net increase during the month of 78.

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Robt. Simpson Pref.

Your comments on Robert Simpson preference stock as an investment would be appreciated.

Robert Simpson Co. Ltd. 6% preference shares are currently selling around $113 to yield about 5.3%. Dividends have been continuous for many years and last year were earned more than three times. At the end of 1936 there was an equity of $581.15 behind each preferred share. The company is the operating subsidiary of Simpsons, Ltd., and does an extensive departmental store, mail order and manufacturing business with activities spread over various parts of Canada. It has never been officially stated whether dividends on Robert Simpson preference shares rank as a prior charge over interest on Simpsons Ltd. bonds, although this is understood to be the case.

Price Bros.

Do you think Price Brothers 5% first mortgage bonds, due March, 1957, are at a disadvantage because of being long-termed?

The fact that Price Brothers 5% first mortgage bonds do not mature until 1957 is hardly a disadvantage to the company; in fact, it might be considered an advantage. The primary consideration is whether or not the company paid too much for the loan. The rate of 5% is considered a favorable one for the type of business in which the company is engaged. Other companies in the Canadian newsprint field are, in the main, not as well off in this regard. If interest rates in the years ahead were to decline sharply, the company has the right to call these bonds for redemption at a premium of 4% on or before March 1, 1942, and the premium thereafter decreasing one quarter of one per cent each year until March 1, 1956, and thereafter without premium. The sinking fund in connection with these bonds does not commence until March 1, 1944, and is not considered onerous. All in all the company is considered to have effected a favorable transaction in the disposal of its first mortgage bonds.

Consumers' Gas

I understand Consumers' Gas stock is considered a "blue chip" investment. Why is it so regarded? Can it be put away and forgotten, or must it be watched like other stocks?

In considering the stock of Consumers' Gas Co. of Toronto as an investment, it should be noted that the Special Act under which the company was incorporated fixed the dividends at $10 per share and provided that if in any year net earnings fell below the amount required for dividends the accumulated reserve fund might be drawn on to make up the deficiency. The company may then increase the price of gas sufficiently to yield revenue adequate to replace the reserve fund and pay the regular dividend. With the dividend rate fixed in this way, the price of the stock tends to fluctuate in sympathy with the trend of bond interest rates rather than with the general movement of the stock market. During the wide fluctuations which have been experienced in the prices of most industrial and public utility shares this year, Consumers' Gas stock has had a high of $211 in March and a low of $192 in October. At the current price of around $198 the stock yields slightly over 5%.

There are, however, several points which should not be overlooked in considering the longer range outlook. The company's dollar volume of gas sales declined from $6 millions in 1930 to $5.2 millions in 1936. This was partly due to a reduction in rates but the number of meters installed also declined. In the five years, 1932 to 1936, total reserves declined from approximately $8 millions to around $6 millions, since operating costs, reserve requirements and dividends were not covered by earnings. This year, the company announced an increase of 10 cents per 1,000 cu. ft. in the price of gas. It was stated this had been made necessary by increased operating expenses, particularly taxes restoration of wage levels to those prevailing prior to May, 1932, greater cost of coal and other materials and higher customs duties. Gross earnings and net profits were slightly higher in 1937 than in 1936 but the question for the investor is whether the increase in gas rates will tend to deter sales and volume from increasing. Competing as it does with electric power, to some extent, the company's business might suffer if further increases in rates are found necessary in succeeding years.

Montreal Finance

Will you please let us have a report on Montreal Finance Corp.? We hold securities of this enterprise.

Any improvement in the position of Montreal Finance Corp. apparently would depend on an improvement in the Montreal real estate situation. The company's revenues are just about sufficient to meet expenses, with no surplus of earnings available for distribution on the preferred, which was in arrears of $155,000 at the end of last year. The report shows that of total assets of $1,666,184 at the end of 1936, $1,184,097 represented mortgages and accrued interest. Of the latter figure $853,066 represented mortgages due and uncollected, while another $287,972 was accumulated interest on the overdue mortgages. The company reported only $42,400 of mortgages in good standing. In addition to these investments the company has $162,334 of properties acquired by foreclosure and $104,891 of cash resources. It is apparent from the foregoing that preferred shareholders can expect but little until such time as the mortgage situation improves.

John A. Lang

Would you please give me a report on John A. Lang & Sons.

Sales of John A. Lang and Sons Ltd. showed an increase of approximately 60% in the first six months of 1937 over the corresponding period of 1936. This increase was attributed to the greater activity in the heavy industries resulting in a better demand for leather work gloves and garments. It is believed that sales and earnings have continued fairly satisfactory in the balance of the year, although it is not known to what extent the early gains were maintained. Net profit for 1936 was equivalent to $1.31 a share compared with $1.20 in 1935. Regular dividends have been paid at the rate of 70 cents a share since public offering of the stock was made in the middle of 1936.

Lake of the Woods

Would you kindly give me a brief report on the common and preferred shares of Lake of the Woods Milling Co. Are the arrears on the preferred shares all paid up now and is there any likelihood of a dividend being paid on the common shares in the near future?

On Dec. 1, Lake of the Woods Milling Co. declared regular quarterly dividend on preferred, together with a payment of $7 a share on account of arrears. Following these payments, the arrears were reduced to $7 a share.

Naturally there is no likelihood of any dividend being paid on the common stock until the balance of these arrears has been liquidated. Financially the company has brought about a considerable improvement in its position the last two or three years, and if earnings are maintained in the current year, it is expected that steps will be taken to put the common stock in a position where it can receive dividends. We do not think that this will be "in the near future" as the directors are more than likely to wait until they see how the results for the 1938 fiscal year shape up.

Bishop Realty

I would like to find out what a $1,000 first mortgage 7% bond of Bishop Realty Corp. is worth. My broker tells me it is practically worthless, but another source states that a similar bond was redeemed for $750. Which is right?

The situation of Bishop Realty bondholders is as follows: In 1927 an issue of 7% first mortgage bonds was sold, and the building was erected with the proceeds on leased ground in Montreal. In 1930 it was proposed to refund the first issue, and to purchase the ground outright, for which purpose 6½% refunding general mortgage bonds were issued and partly sold.

The amount so raised was insufficient, however, and three years later the trustee refunded the principal, less expenses, to purchasers, who received approximately 73 cents on the dollar. These bonds have all been redeemed.

Shortly afterward the company lost the building through cancellation of the lease for non-payment of rent and taxes. In 1935 the trustee notified bondholders that they would receive 1.01866 cents per dollar as a first and final dividend. Your bond is accordingly worth about $10, and should be sent to The Montreal Trust Co., Montreal, for redemption.

National Breweries

Please let us have a report on National Breweries stock. I would like to know the dividend paid and if it is being earned.

National Breweries stock has been rather inactive, and it would appear to be conservatively valued in view of the company's record of earnings. Earnings have been consistently in excess of dividend requirements on the common stock, and the report for 1937 is expected to show a moderate surplus after payment of the $2 dividend on the common. Financially, the company is in an excellent position, with current assets at the end of last year of over $6.7 millions, as aaginst current liabilities of less than $1 million. The company has no bonds outstanding, and ranking ahead of the common is a small issue of 7% cumulative preferred. One point to bear in mind in connection with a company of this type is the possibility of a further increase in taxes. Both the brewing and distilling industries have always been subject to heavy taxation, and in times of stress such taxes place an onerous burden on the operator.

Cons. Bakeries

What is the present position of Consolidated Bakeries?

Consolidated Bakeries of Canada, Ltd., maintains a regular dividend of $1 a share and will probably show some improvement in earnings this year over the $1.01 a share earned in 1936. Profits have shown a considerable increase in each of the last five years. Financial position is quite strong and has permitted payment of dividends approximately equal to net profits in the past few years. The company operates 12 bakeries in Ontario and Quebec making a wide variety of bread and cake products. Rising costs of materials have had some effect but recently there has been a substantial drop in the price of flour which has probably offset higher costs for other materials. In addition, prices of bread have been increased this year.

Metropolitan Stores

Please give me a brief report on Metropolitan Stores Ltd., particularly with reference to the bonds of subsidiaries. I do not see these securities quoted on any exchange.

Metropolitan Stores Ltd. is not publicly controlled and, therefore, its stock is not traded on any of the exchanges. Two of its wholly-owned subsidiary companies have sold bonds to the public, however. The company operates a chain of variety stores in Canada and the buildings are owned by the two subsidiaries, Metropolitan Chain Properties Ltd and Metropolitan Corp. of Canada. Metropolitan Chain Properties has an issue of 6% first mortgage bonds due 1948, and these are currently selling around 84. Metropolitan Corp. of Canada has an issue of 6% first mortgage bonds due 1947, series A, and these are selling in the neighborhood of 90. Interest payments on both bonds have been made regularly. Net profit of Metropolitan Stores Ltd. available for interest on these bonds was more than twice the required amount in the years ending Jan. 31, 1936 and 1937. The company's sales increased from $6.7 millions in 1935 to $7.4 millions in 1936 and $7.6 millions in the 1937 fiscal year.

Canadian Vickers

Please give me a brief report on the present position and prospects of Canadian Vickers' preferred stock.

Canadian Vickers Ltd. is understood to have recorded an improvement in its position this year, but the preferred stock cannot yet be considered as other than speculative. Since 1931 there have been no earnings on the preferred, while in only two years in that period was the bond interest fully earned before depreciation. No dividends have been paid on the preferred since Nov. 1, 1929, and at the end of the company's last fiscal year, Feb. 28, arrears amounted to $50.75 a share. Furthermore the company has failed to meet the sinking fund on its bonded debt since Aug. 1, 1932, and until this condition has been remedied the company will not be able to resume dividends on the preferred stock. When it is considered that in the 1937 fiscal year there was a loss for the year equal to $9.92 a share on the 7% preferred, you will realize that considerable improvement is necessary before the company is again in a position to consider dividends.

Town of Eastview

What is being done to clear up the default situation in Eastview, Ont., debentures?

Eastview, Ont., a suburb of Ottawa, is under the supervision of the Ontario Department of Municipal Affairs, pending settlement of the default situation It is understood the financial situation of the town is such that a refinancing plan cannot yet be considered but it is hoped to have some basis of settlement prepared next year. At present, it is not possible to forecast what concessions creditors may be called on to make. The bonds are quoted at around 50.

Aluminium Ltd.

As a regular subscriber to The Post, I would appreciate your opinion of Aluminium Ltd. from the standpoint of an investment with possibilities for an advance in quotations.

Aluminium Ltd. common stock is a security considered to have interesting possibilities. Through subsidiaries, the company is engaged in the production, fabrication and sale of aluminum and its products in Canada, British Guiana, Italy, Switzerland, India, Norway, Sweden and England, in nine other European countries and in the Far East. It has a virtual monopoly on the business through basic patent rights. Earnings on the capital stock have fluctuated widely in recent years, being largely a reflection of the depression. From a deficit of $972,932 in 1931, net profit increased to $2.3 millions in 1936. The report for 1937 is expected to show a further expansion in earnings. A point to consider in connection with the common is that the company has never paid a dividend. Nor is it likely that the company has never paid a dividend. Nor is it likely that the company will pay dividends for some years to come, irrespective of earnings. A purchase of the common should only be made with the idea in mind that any return to the holder is likely to come in the form of further capital appreciation rather than in the form of dividends.

Port Royal Pulp

May I ask for a report on the Port Royal Pulp & Paper 5% first mortgage bonds?

Port Royal Pulp & Paper was organized in 1932 to take over the property formerly owned by the Nashwaak Pulp & Paper at Fairville, just outside of Saint John, N.B. The company's capital consists of $800,000 of first mortgage bonds, and 40,545 shares of no par common stock. Assets at the end of last May totalled $1.9 million, of which $731,853 represented property accounts; $1,145,041 current assets, and the balance investments, bond discount, etc. Among the liabilities, current accounts total $535,264. In addition, the company has a contingent liability under rayon pulp contract of $175,000, which is secured by an equal amount of the company's own bonds, which are returnable as deliveries are made. For the year ended May 31 last net earnings of Port Royal, available for bond interest, depreciation and income tax amounted to $163,194. Toward the end of 1936 the company made changes and additions to plant in order to manufacture rayon pulp instead of bleached sulphite pulp. These changes were not fully completed and, plant operating in full efficiency until last March, consequently, earnings are for less than 10 months fraction of normal operation. The company now has contracts for the entire output of the plant from July 1, 1937, to Dec. 31, 1938. Under these contracts the company expects to show earnings in the 12 months ended May 31, 1938, of over $300,000 before provision for depreciation and income tax.

Beatty Bros. 'A' Pfd.

What is the present position of Beatty Bros. first preferred stock, series A?

Annual report of Beatty Brothers Ltd. for the year ended Aug. 31, 1937, is expected to show a substantial gain in earnings over those reported for the preceding period. Net profit was $166,065 in the year ended Aug. 31, 1936, equivalent to 42 cents a share on the combined class A and B common. On the first preferred series A stock earnings were equivalent to $16.61 a share in the year ended Aug. 31, 1936, against $16.53 in the preceding year. Dividends of $6 a share have been paid regularly on the first preferred and at the rate of $7 a share on the second preferred. A considerable portion of the company's business lies with farmers and in the greater part of Canada farm income has been larger this year than last year. This should react favorably on the company's sales.

War and Stock Prices

In the event of another World War, what stocks would profit most, and which would suffer most heavily?

During the period from 1915 to 1919, the primary industries, which include the steel, base metal, paper, textiles, flour milling and food groups, fared best. These were supplying necessary materials of war, and were called upon in some cases to expand their capacities. Where this was done they suffered during the period of adjustment after the cessation of hostilities. But for the duration of the war they were able to earn huge profits, and their shares advanced rapidly.

Transportation companies operating under a fluctuating rate scale prospered, but those having fixed rates did not reap the full benefit of increased business. Companies carrying large inventories built up at pre-war prices were able to dispose of them at a very substantial profit as the general price level advanced. The retail group, such as bakeries and groceries, faced with rising costs, found it difficult to increase their prices in the same proportion, due to strong public opposition.

Foreign utilities for the most part were affected adversely by fluctuations and uncertainties that arose in connection with foreign exchange transactions. Domestic services and public utilities, operating at relatively immovable rates, were not able to adjust themselves to rapidly increasing costs, and this was reflected in the market price of their shares. Banks and financial firms fell into the same category, although in most cases dividends were maintained at former levels and profits showed some improvement.

C. P. R. Will Repay Loans When Dividends Resumed

From Our Own Correspondent

MONTREAL.—Date of repayment of two of the loans made by the Dominion Government to the Canadian Pacific Railway under the Unemployment Relief Act will depend upon resumption of dividends on the C.P.R. ordinary stock. As at Dec. 31, 1936, loans to the railway under the Relief Act, in order to provide employment amounted to $4.2 millions. Details of provisions for repayment of the loans are given below:

A loan of $1,447,222, made in September, 1932, is repayable on demand without interest, as soon as the C.P.R. resumes payment of dividends at a rate of more than 5% per annum on its ordinary stock.

An amount of $1 million lent in December, 1932, is repayable, without interest, before any further dividends on the ordinary stock are declared or paid.

A loan of $1,270,000 made in 1935, is repayable serially from 1938 to 1950, with interest at 4% per annum. No interest is payable on this loan for a two-year period, following a common agreed date upon which the total amount is deemed to have been advanced.

A loan of $544,700 made in May, 1936, is repayable serially from 1938 to 1942 with interest at 2½% per annum.

Furthermore, the C.P.R. had arranged at the end of 1936 to enter into a hire-purchase agreement with the Dominion Government, covering certain locomotives and rolling stock, the total purchased price of which will be approximately $5,760,000. The C.P.R. pays the cost in excess of $5,730,000 and will repay the $5,730,000 in equal annual installments from Jan. 1, 1938, to Jan. 1, 1950, inclusive.

Supersilk Declares Regular Pref. Dividend

Supersilk Hosiery Mills, Ltd., will pay the regular semi-annual dividend of $2.50 per share on its 5% preference stock. The dividend is payable Jan. 1, 1938, to shareholders of record Dec. 17, 1937.

The present preference shares were issued early in 1937 to replace the old 7% stock, following settlement of dividend arrears through issue of arrears certificates. Initial dividend on the new stock was paid July 2.

United Distillers Declares Dividend of 5c a Share

A dividend of five cents a share has been declared on the common stock of United Distillers of Canada, payable Dec. 20 to shareholders of record Dec. 15, 1937. This will be the second payment on the stock, the only previous dividend being 10 cents a share paid April 15 of this year.

Province of Nova Scotia

3½% Debentures, due December 15, 1949

Price: 98.75 and accrued interest to yield 3.62%

The Honourable Angus L. Macdonald, Premier and Provincial Treasurer has stated:

"It is certain that the estimated Surplus for 1937 of $104,286 will be realized and, in addition, it is expected that ordinary revenues will be sufficient to take care of direct relief requirements for the past fiscal year of approximately $300,000."

Descriptive circular, including financial statement, will be furnished upon request.

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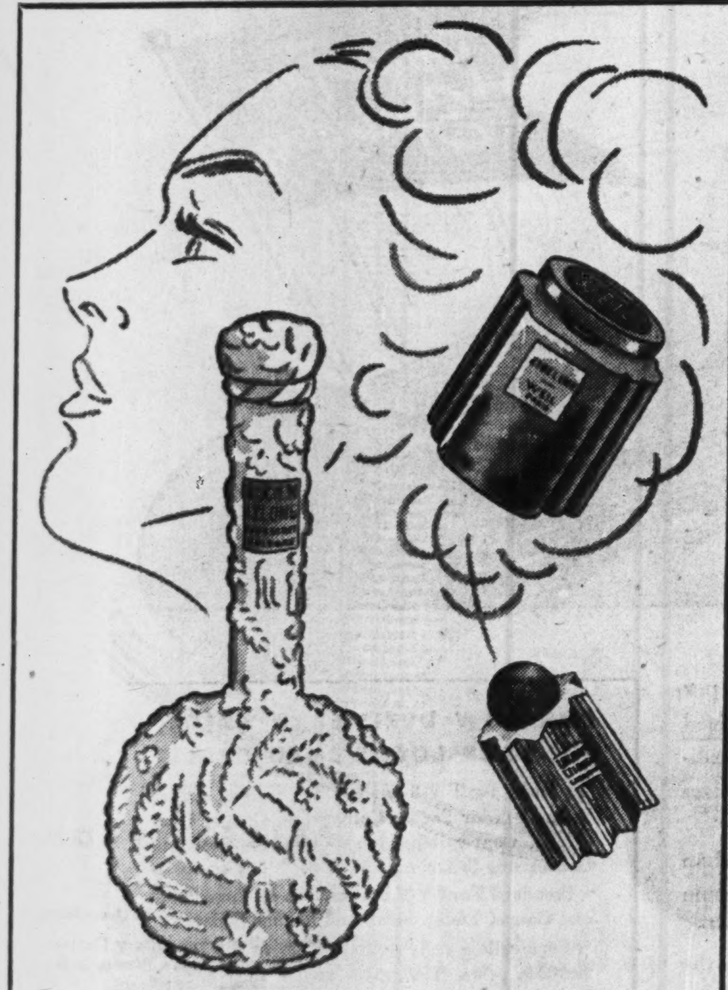

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Radio Undermans Police

Mechanization of Canadian Services Tending to Reduce Personnel

By GUY S. CUNLIFFE
Staff Writer, The Financial Post

Fear is growing among Canadian police authorities that mechanization of police facilities has proved a two-edged sword. While radio and other aids have furnished essential weapons to deal with modern conditions, they have resulted in a tendency to disregard what is deemed a general undermanning of police establishments in this country

Examination of statistics covering the past 10 to 15 years indicates that steady growth in the size of Canadian cities, and advances in expenditures for all purposes, have not been accompanied by corresponding increases in their outlays for policing or in the strength of police forces. The downward trend in the relative strength of forces has been particularly marked since 1928-29. It suggests that police have been able to withstand a combination of depression economy waves and depression-bred increases in crime only because of additions to police equipment. These include more automotive units, improved signal and patrol box equipment, teletype facilities, automatic traffic signals, and radio.

Toronto Crime Record

From 1921 to 1935, the ratio of reported criminal offenses to population in Toronto increased from 29.5 to 41.8 per 1,000 of population, and the number of police per 1,000 inhabitants has dropped back to the 1921 level of 1.5 after rising to 1.7 in 1928. The striking decline in Toronto in unit expenditure for police purposes is shown in a special analysis this year by the Toronto Bureau of Municipal Research. Following are illustrative figures for selected years taken from the Bureau survey.

Toronto Expenditures For All Purposes and For Police Dept., 1921-37
Per Capita Expense

	Total on Current Acct.	For Police	Relation Police Exp. to Total
1921	$49.34	$3.53	7.1%
1928	53.31	3.85	7.2%
1935	57.16	3.89	6.8%
1937* ...	57.80	3.85	6.7%

*Estimated.
These figures show an increase of over 16% in total current account outlay between 1921 and 1937, an increase of only 5.7% in police expenditure, and a shrinkage of 8.5% in the percentage of police cost to total expenditure.

The period showing the decline in relative personnel and ratio of police expenditure has been the period in which Toronto and other cities have been acquiring their mechanical equipment, and modernizing such equipment as they already had. Toronto's automatic traffic light signal system was installed in the 1927-29 period, and 1928 brought expenditure of over $600,000 for a modernized fixed communication system embracing signal lights and bells for men on beats, telephone boxes on patrol routes, teletype links between stations and headquarters, and auxiliary equipment.

Canada Lags Behind

Full development of police auto patrol system to cope with modern crime methods and the logical adoption of police radio to make it effective, has proved a long drawn out process for Canadian cities. Most American cities of any size have had radio equipment since the pre-depression era. In Canada, police departments in cities as large as Windsor and Guelph still have no radio equipment, though authorities in both the centres mentioned are investigating the matter. Sudbury installed a police radio unit only this fall.

As far as can be learned, the first police radio installation in Canada was that of the British Columbia provincial police, in 1929. Winnipeg has used radio for six years, Montreal for four years, Halifax for three years. Toronto did not get radio equipment until less than two years ago, and then only after persistent agitation by police officials.

Police Costs Dropping

Relative decline of police service costs in face of growing populations and the jumps in total civic expenditures is indicated in the following table. It is a selective analysis compiled by The Financial Post from annual surveys of the Citizens Research Institute of Canada (Toronto). The figures given on cost of "protection" cover police and fire services and other outlays for "protection of persons and property," but as fire fighting services have been more or less stabilized the amounts are a dependable guide to the status of police expenditures.

Total Civic Expenditure and Cost of Protection in Canadian Cities, 1921-35

	Population (000's)			Total Exp. Per Capita			Per Capita Expense For Protection		
City	1921	1928	1935	1921	1928	1935	1921	1928	1935
Vancouver ...	126	149	247	$50.66	$53.66	$52.94	$8.98	$8.97	$6.68
Winnipeg	196	205	224	49.80	52.26	53.23	8.25	6.80	5.96
Toronto	522	585	638	46.72	56.50	63.54	9.13	9.33	8.81
Hamilton	118	134	154	37.89	45.16	51.68	5.49	5.54	5.14
Montreal	735	750	847	34.19	42.63	60.89	6.17	6.06	6.17
Halifax	57	55	59	34.83	37.38	40.74	7.10	5.85	6.19
Saint John ...	50	55	50	35.62	31.05	40.71	5.63	4.74	5.42
Total	1,804	1,933	2,219						
Av. of expend.				41.10	45.47	51.24	7.25	6.75	6.33

All the surrounding suburban municipalities have since equipped their police cruiser cars with receiving sets tuned to the Toronto transmitter.

Altogether only a dozen Canadian cities have radio equipment—Halifax, Saint John, Montreal, Verdun (Que.), Ottawa, Belleville, Toronto, Hamilton, Sudbury, Winnipeg, Vancouver and Victoria.

There is general agreement among police officials in these centres as to the value of radio as an essential supplement to other aids in police work. But police do not regard radio as a substitute for personnel. The radio-directed police auto patrol system has given personnel the mobility necessary to keep on heels of quick-striking, auto-using criminals. But, it is argued, adequate personnel is still required to make the system effective and to cope with the increasing volume of general duty in modern city life.

Men Still Needed

Radio and other mechanization has not diminished the need for officers on foot to patrol business areas, especially at night. Burglars in residential areas can often be detected and caught by radio car crews through warnings from alert householders, but citizen observers of attempts at crime are almost invariably lacking in business districts.

Automatic traffic signals have not eliminated the need for foot patrolmen and motorcycle squads to grapple with the traffic problem arising from the steady growth in automobile ownership, increase in tourist traffic, growth of school population, and general urban expansion. Registration of autos in the Toronto area since 1929 has increased from approximately 113,000 vehicles to nearly 153,000. The total of persons injured in traffic accidents jumped from 1,539 in 1928 to 3,475 in 1936.

That radio is of great value but by no means the solution that some municipal administrators suggest, is indicated by Toronto's crime record during 1936, the first full year of operation of its police radio equipment. The year saw slight decreases in the totals of occurrences in the classifications of auto theft, general theft, and burglary—offenses discouraged by operation of fast moving radio cars. But the total of all occurrences increased by nearly 5,000.

Inability of radio to combat crime pressure without adequate police personnel is demonstrated by the tabulation below, compiled by the federal bureau of investigation of the U. S. Department of Justice. It is safe to assume that virtually all cities whose statistics form a basis for the F.B.I. analysis are equipped with radio. Yet the figures show that the smaller the police force in ratio to population, the greater the volume of crime, despite mechanical aids. The exceptions constituted by the theft records for Groups II and IV disappear when all the figures for Groups I and II and for Groups III and IV are lumped together.

Relation of Police Strength to Volume of Crime (U.S., 1936)

	†Average No.	Average No. of Offenses‡					
*Groups	Police	Murder and Mansl.	Robbery	Assault	Burglary	Theft	Auto Theft
I	2.3	5.1	49.5	36.5	324.4	725.8	289.6
II	1.7	6.3	59.9	56.5	361.0	684.9	240.9
III	1.3	8.7	65.5	57.2	401.8	898.8	274.5
IV	.9	9.7	82.7	59.6	467.3	1,068.2	262.4
I and II	2.0	5.8	55.1	47.9	345.3	702.4	261.8
III & IV	1.1	9.2	74.1	[illegible]	434.6	983.5	268.5

*Classified according to size of forces.
†Per 1,000 of population.
‡Per 100,000 of population.

Police Strength Low

Another study by the F.B.I. set at 2.1 per 1,000 of population the average number of police personnel for a group of 37 American cities with populations of 250,000 or more. The Financial Post tabulation below shows that Canadian cities maintain police departments considerably below the 2.1 level, and below the unit strength of individual American cities of comparable size.

City Police Forces and Equipment (1936)

	*Av. No. Police Employees	†No. of Personnel	Police Cars With Radio
Canada—			
Toronto	1.5	1,016	40
Montreal	1.7	1,449	80
Winnipeg	1.3	233	..
Vancouver ...	1.2	296	23
Halifax	1.18	70	4
United States—			
Buffalo	2.2	1,267	83
Rochester ...	1.4	455	..
Cleveland	1.7	1,527	105
Cincinnati ...	1.3	622	100
Pittsburg	1.7	1,122	..
Milwaukee ...	1.9	1,163	44
Jersey City ..	3.2	1,017	..
Newark	2.9	1,307	30

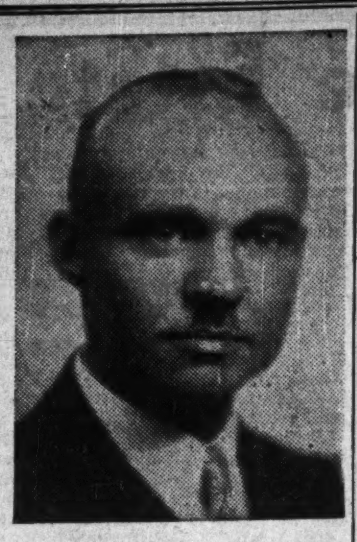
*Per 1,000 of population.
†Including civilian clerks, etc.
Note—Figures for Winnipeg, Halifax and Vancouver are approximate and do not cover civilian employees.

It would thus appear that Canadian municipal administrators have allowed police establishments to lag behind the needs created by population growth and changing modern conditions, and have been slow and only partly effective in offsetting this tendency by putting modern equipment in the hands of inadequate forces. That expert appraisers of the situation have been quick to sense a deficiency if the administrators have not, is indicated by a reliable estimate that insurance rates in Toronto for household burglary and theft have increased 30% in a year.

Steps for Future

The next steps in improving mechanized police facilities will likely be the interconnection of radio systems in different communities, adoption of radio by provincial police forces, and dovetailing of provincial and municipal systems and development of equipment for two-way communication. Two-way equipment is now being tried out in several American centres, but it has not proved satisfactory and experiments are being conducted to extend the present two-mile radius for messages broadcast from cars. In most cities, police still depend on patrol box telephones to enable cruiser car crews to report back to headquarters.

As such improvements will be relatively inexpensive in comparison with the continuing annual cost for salaries of new men (Toronto's radio equipment cost only $20,000) it is likely that they will be generally installed once they reach the level of dependability. The danger will be that they will be seized upon by administrators as a means of staving off the parallel increases required in personnel—as were the basic mechanical aids now coming into use.



HEADS NEW BRANCH

The Canada Life Assurance Co. has opened a new "Northwestern Ontario" branch to serve the twin cities, Port Arthur and Fort William, Ont. The office, located at Port Arthur, is under managership of J. W. Warner (above), formerly with the company at London, Ont.

C.N.R. Montreal Terminal Plans Still a Dead Issue

From Our Own Correspondent

MONTREAL.—Rumors that the Canadian National Railways will go ahead of the construction of the Montreal Terminal is officially denied by the Hon. C. D. Howe, Minister of Transport. No recommendation had come from the directors of the system, he said, for any action on the long awaited building.

Original plans called for construction of a $50 millions terminal in Montreal. Beyond the excavation work, and steel work for the roadway, nothing further has been done.

Toronto Spending Less for Relief

City's Costs for 1937 Are Analyzed by Bureau

Actual net cost of direct relief in Toronto for 1937 will be $219,005 less than the $2,011,505 originally provided for, according to an estimate by the Bureau of Municipal Research. Since 1932 Toronto has been meeting these costs by issue of debentures. In this connection The Bureau states that "the postponement of payments of current costs is always expensive and is only defensible on the basis of proved necessity." Less than $5.2 millions is being spent on "welfare, charities and correction" in 1937, compared with $6.1 millions in 1936 and a high of $6.2 millions in 1935.

Total current expenditures to be met out of current funds amount to $37,889,079, equivalent to $58.12 per capita, compared with $57,68 in 1936, $52.86 in 1927 and a peak of $59.95 in 1932.

Appropriations for the city's general overhead costs were reduced for the fourth consecutive year, to less than $4.4 millions, from the 1934 high of $4.9 millions.

Estimated costs of education at nearly $12.8 millions are again increasing, and are $2.6 millions higher than in 1927. The 1937 per capita figure is $19.57, compared with a high of $19.96 in 1932, and with $17.73 in 1927.

Estimated expenditure on highways has again increased but is still $1.1 millions less than in 1931. Combined deficits on public utilities and special services declined to $1,408,745, which is $500,000 below the peak in 1933.

Connors Bros. May Build Cannery for Tuna Fish

From Our Own Correspondent

MONTREAL.—Following extensive experiments on the canning of tuna fish, Connors Bros. Ltd., of Black's Harbor, N.B., may build a new plant to handle this type of fish.

Experiments with the tuna fish to date have been successful and later on when these experiments are commercialized, tuna will be packed under scientific process in a modern-type plant.

Growth Reported By Power Board

N. B. Commission Shows Expansion in 1937 Operations

From Our Own Correspondent

MONTREAL. — New Brunswick Power Commission reports gross revenue in the year ended Oct. 31, 1937, of $1,004,255, compared with $888,450 in the previous year, a gain of 15%. Net surplus after provision for all reserves was $1,285, as against a deficit of $4,004 the year before.

During the 1937 fiscal year the commission's plants generated 60,655,000 kw.h., an increase of 30.5% over the previous twelve months. Deliveries totalled 52,150,000 kw.h., as against 39,802,000 kw.h. in 1936.

The number of direct customers now served by the Commission totalled 10,685, an increase of 25% during the year. In addition there are 17,800 indirect customers, or 2% more than reported at the end of 1936.

At the close of the 1937 year the Commission had a total investment in plant equipment of $8,062,013, as against $7,609,744 at the close of the preceding year.

The deficit account now stands at $558,839, a slight decline from that reported in 1936.

We extend a cordial invitation to one and all to view our wonderful display of Christmas plants, cut flowers and memorial wreaths, at popular prices, at both stores.

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If you have Gifts to make
Michie's offer these suggestions

To,—a man, Cigars or Cigarettes, in suitable wrappings priced competitively, delivered when you wish.

a lady, Superior English Chocolates, from Terry, Cadbury, and others, in handsome Gift Boxes, from,—$2.00 to $10.00.

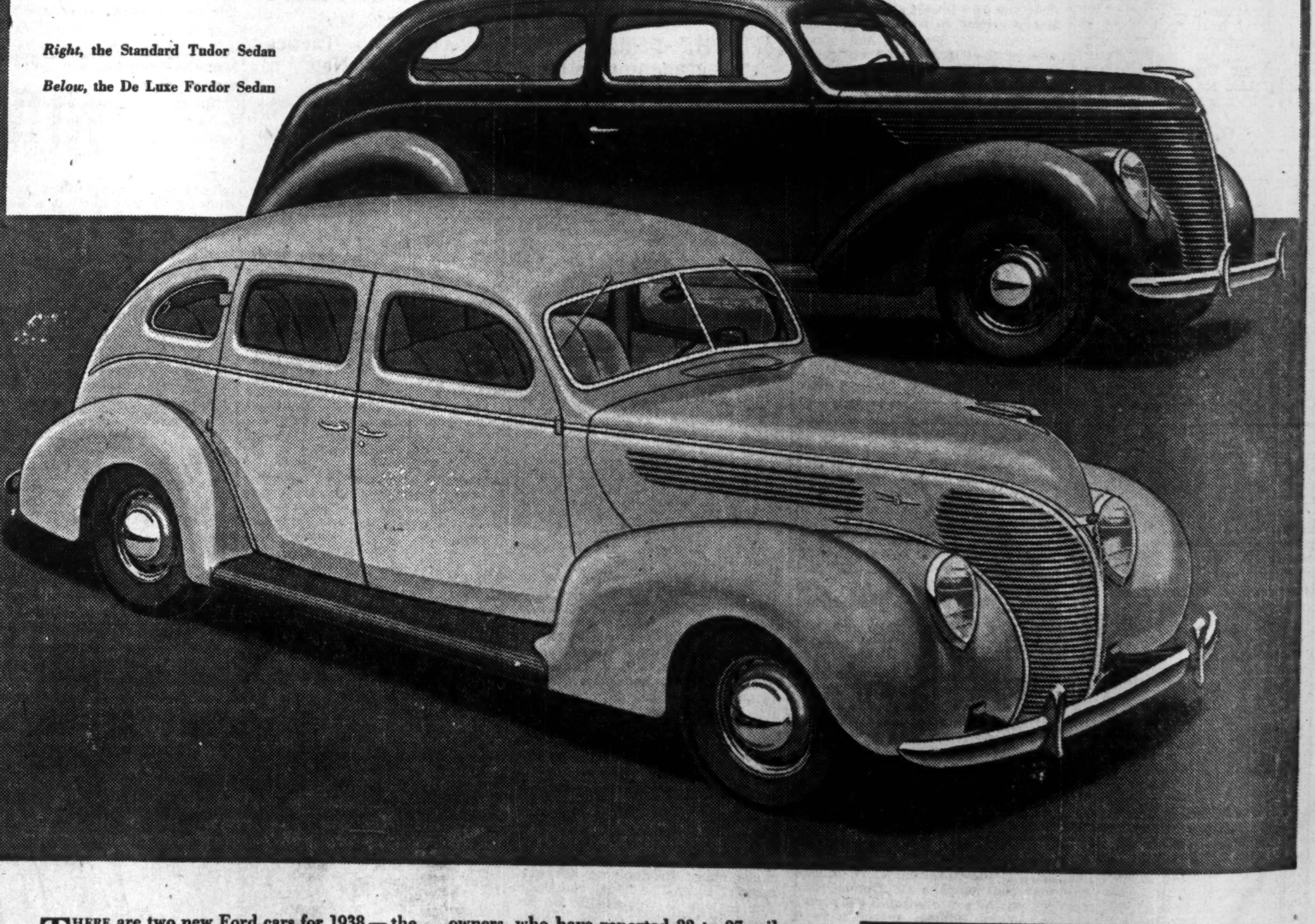
a kiddie, A Santa Stocking full of toys, a gift of sheer delight, from $1.00 to $5.00, or a box of wholesome and delicious candies, from 75c.

a family, A. The family of a business friend.
A Michie de-luxe Basket or Hamper of fruit and table delicacies, than which there is no more graceful and acceptable gift from—$5.00 to $25.00.

B. The family in lesser circumstances.
A Michie Basket or Hamper of seasonably selected contents for Christmas.

Michie & Co. Ltd.
for their 103rd Christmas at 7 King St. West
TORONTO

FOR 1938
FORD OFFERS TWO NEW CARS
and keeps their PRICES LOW



Right, the Standard Tudor Sedan
Below, the De Luxe Fordor Sedan

There are two new Ford cars for 1938 — the De Luxe and the Standard — differing in design, appointments and price — but built on the same generous 112-inch Ford wheelbase.

Both are big, impressive cars, and thoroughly modern in appearance. Both have the famous Centre-Poise Ride and Ford Easy-Action Safety Brakes. Both bring you the basic advantages of the 85-horsepower Ford V-8 engine.

STEP UP TO THE V-8 CLASS

V-type 8-cylinder engines were used only in expensive cars before Ford made them available in The Universal Car. Eight cylinders give great smoothness and flexibility. Compact V-type construction leaves more room for passengers and luggage.

Both new cars are economical to operate. The facts of Ford V-8 economy are confirmed by owners, who have reported 22 to 27 miles per gallon of gasoline. And both new cars are priced low. Low price, like economy, is a Ford tradition. Ford founded the low-price field 30 years ago and keeps Ford prices low today.

The De Luxe Ford costs slightly more than the Standard Ford, but provides extra room and style. Both cars, in proportion to price, represent unusual values. Both are built to the same high standard of mechanical excellence. Both bring you the comfort and pride of ownership you expect of a Ford.

BUILDING ON LAST YEAR'S SUCCESS

More people bought the 1937 Ford V-8 than any other 1937 make. It was a good car. But these are better cars, because Ford improvement goes on constantly. You'll realize that when you see and drive either Ford V-8 for 1938.

FOR LOW DELIVERED PRICES
SEE YOUR LOCAL FORD DEALER

De Luxe Ford V-8 models are Coupe, Tudor Sedan, Fordor Sedan, Convertible Coupe, Club Coupe, Convertible Club Coupe, Phaeton and Convertible Sedan.

Standard Ford V-8 is available in three models: Coupe, Tudor Sedan and Fordor Sedan.

Ford sells a fully equipped car at the lowest possible price. The prices on De Luxe models include twin tail lights, two windshield wipers, two sun visors, twin electric horns, cigar lighter, de luxe steering wheel, glove compartment clock and lock, chrome wheel bands, in addition to front and rear bumpers and guards, spare wheel and tire and tube, tire lock, and headlight beam indicator.

Prices on Standard models include front and rear bumpers and guards, spare wheel and tire and tube, tire lock, one tail light, one windshield wiper, one sun visor, cigar lighter, headlight beam indicator, and two horns.

Make Your Christmas Merrier!
THE KING EDWARD CAN HELP YOU

Not only do we promise you a dinner so full of that old-fashioned goodness that it will challenge your most treasured memories of home, but a carefully selected programme of entertainment in perfect keeping with the occasion.

DECEMBER 24th
Special Shoppers Luncheon in both the Oak Room and Victoria Room at à la carte prices.
Special Musical program with the Canadian Singers' Guild under the direction of Walter Bates.

DECEMBER 25th
Special Christmas Family Dinner (12 p.m.—4 p.m.) .... $1.50 per plate
Musical program includes Miss Farrell, Harpist and Miss Webb, Soloist, who will also be in attendance at tea hour each day of Christmas week (Monday to Saturday).
Christmas Festive Dinner from 6 p.m. .... $2.50 per plate
with complete musical program comprising the Canadian Singers' Guild under the direction of Walter Bates; also Miss Farrell, Harpist and Miss Webb, Soloist.
ADDED ATTRACTION: Parties attending Festive Dinner may remain for the evening dance in the Crystal Ballroom — NO EXTRA CHARGE.

As usual, Luigi Romanelli and his orchestra will be in attendance. If plans prevent your visiting the KING EDWARD on either Christmas Day or Christmas Eve—why not come on December 26th, for Sunday dinner? You will enjoy the rest.

'Phone Your Reservations to WA. 7474

King Edward Hotel
P. KIRBY HUNT, General Manager

Gray Attacks Other Parties To Unity Plan

Sees Attempt by "Powerful" Interests to Whip Liberals into Line

ANTI-EAST STAND

From Our Own Correspondent

EDMONTON.—A sharp division within the united opposition movement in Alberta appeared when E. L. Gray, Liberal leader, in the first of a series of broadcasts sponsored by his party, roundly censured the Conservative chieftain, D. M. Duggan, his party and the People's League. A break in the unity ranks was not entirely unexpected, since growing discord had been evident. But the frankness of the Gray attack, coming on the heels of a triumph of unity in the Lethbridge by-election, fell with the effect of a bombshell on political circles.

Social Credit circles were jubilant, although Premier Aberhart refused to be quoted. At the same time, it was evident that the Gray bombshell by no means ended hopes of a powerful and united opposition movement against Social Credit. Mr. Gray coupled his rebukes with a reaffirmation of his offer of co-operation with other parties, and he pledged himself to further negotiations seeking definite commitments to a programme of reconstruction in Alberta on the day when the Aberhart forces are overthrown.

Anti-Aberhart Move

The latter feature of his speech was capable of genuinely optimistic interpretation, for the sole basis of unity so far had been only joint antipathy against Social Credit. This has undoubtedly become a potent political factor in Alberta, and has led to two triumphs for unity in by-elections. But the limitations of mere negative hostility to the Aberhart Government were becoming apparent, if the ideal of unity for reconstruction was to carry a powerful mass movement out of the cities into the country, the last strongholds of Social Credit.

Mr. Gray made the following comments and charges, in outlining the results of his efforts over several months to arrange co-operation with other political groups.

1. A whispering campaign, organized in Calgary and Edmonton, has sought to discredit the Liberal party.

2. An approach to Robert Gardiner, U.F.A. president, provided a "satisfactory interview" but established that the U.F.O.'s political activities were restricted by consent of its annual convention. (The next convention is in January).

Attacks Conservatives

3. D. M. Duggan, Conservative leader, long an advocate of unity, turned out to have no plan for united action. "I have come away from several of our interviews convinced that he desired the destruction of the party which I lead, more than he desires the destruction of the party which Mr. Aberhart leads." Interviews with Mr. Duggan were "discouraging," said Mr. Gray, and featured by criticisms of the past record of the Liberals.

4. Many persons in Alberta were using the unity cry to secure free publicity. "An appalling number of political 'hitch-hikers' are using the 'unity' movement as a vehicle by which they hope to thumb themselves along the political highway."

5. The Liberal was acting on unity, while others were talking. Mr. Gray claimed Liberals initiated nomination of a U.F.A. adherent in Warner riding, and the nomination of Dr. Peter Campbell, successful unity nominee in Lethbridge.

6. The People's League, claiming to be non-partisan, has been committed by an Edmonton official of it, to put candidates in the field "if necessary." The League's Edmonton officials became "dictatorial," and interfered in St. Alberta constituency, where efforts were under way to heal a breach in the Liberal ranks, which had permitted election of a Social Crediter in 1935 by a minority vote.

7. The People's League "is being branded up and down the country by the rumor that it is the wealthy instrument of big finance," Mr. Gray reported rumors that League funds had been raised in the east.

Anti-East Stand

Mr. Gray objected to tactics of the People's League of publishing letters and proposals sent to the Liberal party, before the Liberals had an opportunity of discussing them. "The whole procedure could only be interpreted as a distinct effort on the part of some powerful interests to whip the Liberal party into line." The Liberal party, he said, would not be dominated either by eastern financiers or by eastern politicians.

The People's League, he charged, had ignored the U.F.A., recognizing only individuals as representatives of the U.F.A. Its meetings were attended only by official representatives of one party, the Conservative, "that has strength in the urban centres only." The damage of the procedure, he said, lay in the fact that 50 seats in Alberta were rural.

Further, he added, all that is required to assure defeat of the unity movement in the next election "is the selection of a nice monied leader."

Mr. Gray concluded by outlining the Liberal unity proposal of co-operation of Opposition parties with strict adherence to the principle of constituency autonomy, by which each riding would assume the responsibility for deciding the degree of co-operation necessary to defeat Social Credit. The selection of candidates would be dependent on the strongest Opposition force in any constituency.

He had in mind definite proposal for formation of a reconstruction government after the Aberhart forces were beaten, he said. He would be prepared to submit it to a joint meeting of executives of Liberal, Conservative, U.F.A. and Labor parties. He stipulated that the U.F.A. should be in attendance.

"This is our approach," he concluded," to reconstruction government in this province to solve the problems of the years immediately after the present provincial government passes on. It is offered as a solution to the present confused situation. It is fair. It cannot possibly be attacked as the instrument of the big interests because no group dominates. Autonomy in constituencies is recognized. It is not fusion, it is not unity, it is co-operation."

New Books

Moscow Debunked

ASSIGNMENT IN UTOPIA. By Eugene Lyons. Published by George J. McLeod, Limited, Toronto. Price $4.

At the moment there is a pell-mell effort by literary leftists to escape the odium of association with the Soviet execution-block. The scores of pro-Russian, pro-Bolshevik books that poured from the typewriters of Moscow propagandists, radical idealists, "reformed" individualists and impressionable tourists have given way to a Niagara of debunking works on Moscow. Not all of the former were worth reading; not all of the latter are worth reading. The three best candid surveys of Russia today that have apeared are those of William Henry Chamberlin and André Gide and now "Assignment in Utopia" by Eugene Lyons. This one is the most readable and the most pointed because it is written by a trained newspaper writer accustomed to expressing his thoughts with vivid simplicity.

It is a book that sweeps into the discard a great many of the pleasant ideas the non-visitor to Russia—or the intourist-guided visitor—has in his mind as the result of his reading. It replaces them with blunt, unpleasant truths. It is a book that had to be written; a book that the sceptics have been waiting for. It confirms their worst fears about the Russian "experiment" and bears eloquent testimony to the fact that panaceas are often poison.

Eugene Lyons, who came from New York's East Side, was a radical, pro-Communist propagandist before he went to the "finer world," the miraculous economic Russia. He wrote for all the leftist and revolutionary organs, put in time defending Sacco and Vanzetti and other heros of the communist intelligentsia, and finally got a job with the Soviet Government itself in the New York office of the official Tass news agency.

It was under such circumstances that Lyons dreamed his dreams of a new world order built on the Moscow plan.

Eventually he went to Russia as correspondent for the United Press. This volume tells of his experiences during six years in Russia and describes the easy stages of his heartbreak. The disillusionment arose out of his realization that the new social order in Russia was being erected without the essential qualities of justice, humaneness, truth, liberty, intellectual integrity and human dignity. Thus, as a movement for economic change, he found it false and worthless.

Liberty and democracy do not exist. The collectivist idea has come to fruition in the apotheosis of an individual, a tyrant, the fawningly worshipped Stalin. That is the gruesome joke that history has played on Russia. Disgusted, Lyons has turned on Sovietism and told the truth about it.

He presents Utopia-in-construction as what it really is; the very antithesis of the impractical, professional idealism of the noble-minded charlatans of leftist propaganda.

This "Assignment in Utopia" is a big book. But every page packs a punch. Seeing how vigorously Lyons demolishes the Socialist dream-house one gets some idea of how effective a propagandist he must have been for Communism in the old days.

Aluminium Ltd. Reduces Issued Preferred Shares

From Our Own Correspondent

MONTREAL. — Aluminium Ltd. advises the Montreal Curb Market that the company on Dec. 10 purchased for cancellation 5,400 preferred shares. These shares were in addition to the 40,650 shares redeemed in the first half of the year. At present the company has outstanding 78,996 preferred shares.

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Communal Private Estate

Residential Colony Withstands Attack Of City Expansion

Nestling well within the city limits of Toronto is a self-contained, residential colony which today is rounding out half a century of successful resistance to encroachment of stereotyped urban expansion.

Some 50 families co-operate in the maintenance of the private 12-acre park, placidly immune from city traffic, light-blocking apartment houses, cramped and regularized residential development, and inroads of mercantile operations. Residents of the community, an island around which has swirled one of the main streams of Toronto's unplanned spread, enjoy all the advantages of living on a private estate without the expense.

Wychwood Park is situated gracefully on a hilly, ravine-split spot not far from the famous Casa Loma, immediately west of Bathurst Street and north of Davenport Road.

Each house within the park stands on a site ensuring adequate spacing from neighboring residences. The majority face at an angle conforming with the immediate topography, the requirements of light, and the personal tastes of the owner. Many of the residences abut on sections of the private park reserve, featured by ravine and miniature lake, which winds through the development instead of being set down as a square blob in the centre.

Maintain Own Services

The colony is not incorporated. The individual owners pay general taxes to the city as do property owners in ordinary parts of town. But they pay the city no local improvement rates for roadways, sewers or sidewalks; no water rates, no assessments for street lighting. They are subject to no special assessments for opening of lanes or alleyways, because they do not have such things.

The colony owns and maintains its own roads and sidewalks, through a board of trustees consisting at present of Bernard Allen, F. K. Morrow, and G. A. Reid, the artist, who acts as chairman. Also vested in the trustees is control of the park reserve, water supply mains, storm sewers, sanitary sewers, and street lighting facilities. The trustees buy water from the city-owned waterworks system through a metering arrangement, pay for the current and maintenance of the street lights, look after the park reserve, maintain and repair the roadways, and collect the cost on a pro rata basis from the residents.

The colony even has its own "funded debt," a bank loan negotiated several years ago to finance the hard surfacing of the communal roadways. Including the levy for interest and amortization on the loan, assessment for community services amounts to only 10 mills on the city-assessed value of the land alone. Residents believe that their intra-mural assessments are comfortably less than if they had to pay city loan improvement rates. In any event they have a much more satisfactory and attractive set-up than if the city had laid down the improvements in the regulation manner. They, of course, enjoy lower water rates through buying in bulk at a flat rate through the trustees.

Amenities Observed

The trustees maintain a staff of one to look after the roadways and park reserve and, when required, to help out residents in need of a handyman. Chairman Reid gently explained that "the amenities are observed" in Wychwood Park.

Private roadways virtually eliminate through traffic. Whenever such traffic appears to be invading the park, the gates at the north or south end (sometimes both ends) are closed after consultation with residents. To keep out aimless drivers, the gates are shut on Sundays through the summer months. The park as a whole is fenced in.

Nucleus of the residential preserve was established 46 years ago, when the district lay outside the city. At the suggestion of Marmaduke Matthews, the artist, Alexander Jardine and Agnes Litster signed with him a trust deed agreement covering their three properties. This deed controlled future disposition and development of the properties, and any surplus property on which they had not built and might wish to sell.

Control by Trustees

Joint ownership of the properties, including such parts as were to be used for communal access and services, was vested in the trustees under the agreement. Later this was modified to give control to the trustees through ownership of a strip of land one foot wide around the properties. Restrictions were imposed forbidding the sale or use of any property as a site for boarding houses, apartment houses, or business buildings.

Provision was also made to ensure adequate space around each residence, though semi-detached houses were not barred and in the course of the years a few duplex dwellings have cropped up in the park. The plan has never been operated to discriminate against those of modest means or any particular class, and today residents include a number of tenants and owner-occupants who could not be classed as particularly wealthy.

Always, the character of the residents has maintained a high level, the colony being made up largely of business and professional men, members of the University of Toronto staff, artists, musical and literary people.

At various times, sections of the park have been alienated, through foreclosure or other causes, but others have been added to continue the expansion from the three original properties.

At one time five new participants were brought in under the trust deed. George A. Reid (present trustee), Eden Smith (architect), George Howell, Gustave Hahn (artist), and E. E. Duvernet (lawyer) sought haven in Wychwood Park after the York Loan realty development in the High Park area ended the residential security they had enjoyed.

Status Clarified

At the time of their advent, uncertainty had developed in regard to the status of the trust deed and some of the owners were in financial difficulties in regard to maintaining the colony as a communal enterprise. Mr. Duvernet effected a reorganization, and was responsible for creation of the now defunct Wychwood Corporation as repository of the joint interests of the owners. Later trouble arose as to the validity of both the corporation and the property control exercised under the trust deed. A court ruling finally reinvested in the various residents complete ownership of individual properties, and of the one-foot "control strip."

Ownership of the roadways and park reserve was also transferred from the old trustees back to the owners to hold in common, with administrative supervision vested in a new trustee board composed at the time (1917) of G. T. Clarkson, H. H. Love, and G. A. Reid.

In 1911, some of the restrictions embodied in the trust deed lapsed. But by that time the area had been pretty well built up and the character of the park established. With the remaining restrictions, with the various methods of control vested in the trustees, and the complete co-operation among the various owners, it has been possible to maintain it without any material change in its original character.

Once a year, a general meeting of residents is convened by the trustees for submission of reports on finances and operation of community interests, and to permit discussion of various problems affecting residents as a whole. Such matters as arise between meetings are dealt with by informal negotiation between the trustees and individual owners.

Test Dividend Payment Is Seen for Albertans

Token Hand-outs Included in Aberhart's Tactical Programme to Strengthen Support — New Debt Reduction Measures Expected

From Our Own Correspondent

EDMONTON. — Plain hints dropped by Premier Aberhart in the course of recent public addresses that new tactics are being prepared for his Social Credit programme are confirmed by a bustle of activity in the offices of the Social Credit Board.

As usual with respect to the policies of the Aberhart Government, coming developments are heralded by a buzzing of rumors among party adherents that something new is on the way. The symptoms are unmistakable that a programme of legislation for the next session, starting probably in January, is being prepared, as full of sensations and legal infirmities as any in the past. At the same time, the new plans are secret and in the complicated, triple-headed division of authority on social credit matters —between Cabinet, S.C. board, and "experts"—observers might search in vain for official confirmation of what the next step will be.

Plans for Future

Within limitations of this kind, an interpretation of developments in Alberta in the near future may be ventured on the following points:

1. A demonstration credit house is to be opened, ostensibly to show how a Social Credit system would operate, but chiefly to serve as a vehicle for distributing a "token" dividend. This scheme would depend on whether or not funds for carrying it out can be obtained, but the cash position of the provincial treasury is now improved to the point where an experiment could be financed, and moreover, idle funds in other accounts might be diverted for the purpose.

The fund is the special account of bond interest provisions, which has been accumulating for more than a year, but has been lying idle because many bondholders have refused to accept the forced reduction. The amount is reported to be between $4 millions and $5 millions. Doubt is expressed that the government could repossess this money legally, but it may regard the effort as worth making.

2. A new debt reduction and adjustment measure is expected for the next session of the Legislature, but its terms are believed to be still tentative, and in any case no trustworthy hint of their nature is available.

3. Another session of the Legislature will carry the Aberhart Government well into the period in which it must begin to consider a favorable opportunity for holding a general election. Payment of a "test" dividend, if it can be arranged, is an obvious argument for continued electoral support.

The effect of the recent Lethbridge by-election has been to show a considerable fighting strength for the Aberhart Government still existent in the ridings, but so drastically reduced from the peak of 1935 that the risk of remaining in office to 1940 lies in allowing electoral strength to vanish entirely.

4. Meanwhile, the Social Credit board is the nerve centre of an ever-widening campaign of propaganda for financial reform. Publicity bulletins, written for the most part by the so-called "experts," G. F. Powell and L. D. Byrne, but carrying the name of A. J. Allnutt, publicity director, are issued regularly, and are achieving considerable circulation.

McCormick's New Bonds Available for Exchange

The new bonds of McCormick's Ltd. being issued in exchange for the present prior lien and sinking fund mortgage bonds were made available for distribution on Dec. 15, 1937.

Holders of the 5½% prior lien bonds receive, for each $1,000 bond, a similar amount of new prior lien guaranteed 4½% bonds due 1952, plus $11.27 in cash. Interest on the new bonds is guaranteed by Geo. Weston Ltd. Certificates for exchange should be sent to the Montreal Trust Co., either at Toronto or Montreal.

Holders of the 5½% sinking fund mortgage bonds receive, for each $1,000 bond, $900 in principal value of new guaranteed 4% sinking fund mortgage bonds, due 1952, and also guaranteed by Geo. Weston Ltd. as to interest. These bonds are being distributed by the Royal Trust Co.,

Marine Industries Ltd. Merges Associate Units

From Our Own Correspondent

MONTREAL. — Marine Industries Ltd. announces that they have taken over the businesses formerly carried on by General Dredging contractors, Manseau Shipyards and Sorel Mechanical Shops.

Operations of the companies will be carried on as formerly in their various plants at Sorel, Quebec, Vancouver and elsewhere.

The Board of Marine Industries is headed by Joseph Simard and includes E. D. G. Power, P. A. Lavallee, Colonel H. S. Tobin, J. Ed. Simard, A. Ludger Simard and T. R. Enderby.

Ass. Telephone Cuts Arrears

From Our Own Correspondent

MONTREAL. — Associated Telephone and Telegraph Co. has declared a dividend of $1.26 a share on the $6 cumulative preferred stock issue and $1.47 on the 7% cumulative preferred issue, payable Dec. 24 to shareholders of record Dec. 17. Previous payments on these issues were made in November.

As at the end of this year, after giving effect to the present declaration, arrears on the $6 preferred will amount to $28.56 a share.

Total dividends disbursed by Associated during 1937 and including the current declaration, will equal $3.78 a share on the $6 preferred, compared with 66 cents a share in 1936 and nothing in either of the three years prior to that.

Newfoundland Notes

Finances Improve

An increase of more than $500,000 has been recorded in government revenue during the first four months of the fiscal year, which starts July 1. The advance in collections is 12% in comparison with the same period a year ago, and 20% above the government's estimate of revenue for 1937-38. Should this pace be maintained, the current revenue returns for the year will be $12 millions, an increase of more than $1 million over last year.

Final figures of government revenue and expenditure for the 1936-37 fiscal year, recently issued, show total normal revenue from government departments at $10.9 millions, which was supplemented by loan advances from the Colonial Development Fund of $854,000 and grants-in-aid from the British Government of $1.5 millions. This brought total receipts to slightly under $13.4 millions.

Total expenditure amounted to a trifle over $13 millions, including $2.9 millions for interest on public debt; $3.1 millions for public health, welfare and war pensions; $1.7 millions for public works; $1 million for education; and $880,000 for repayments to the Colonial Development Fund.

* * *

Stimulus to Building

The year-old Newfoundland Building and Loan Association can now point to concrete achievements in its programme of stimulating building, improving housing standards and assisting members to own homes. The first of three houses built by the Association during the past summer was recently declared open at a ceremony at which His Excellency the Governor officiated.

* * *

Pulpwood Cut

Advance estimates indicate that the pulpwood cut in Newfoundland this year will likely total 700,000 cords, the largest on record. The Anglo Newfoundland Development Co. and the International Paper and Power Co. (Nfld.) will account for the major portion of the cut, with a production of between 450,000 and 500,000 cords.

* * *

Vital Statistics

According to Vol. 1 of the 1935 census report, recently issued by the Department of Public Health and Welfare, total population is 289,588 persons, of whom 40,458 over 10 years of age or one sixth of the population can neither read nor write.

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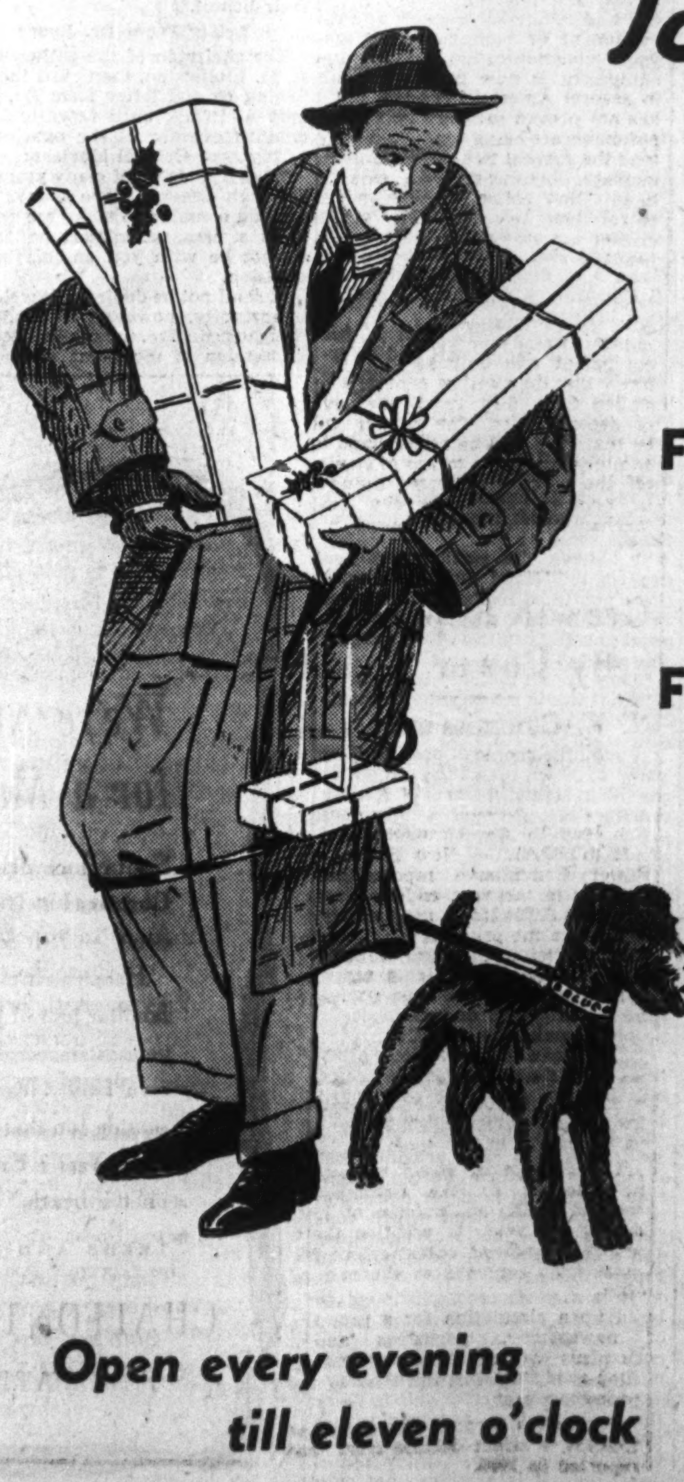

THIS YEAR don't consult your favorite bartender on the subject of Christmas gifts. Nor are we merely suggesting that you come up and wander aimlessly through our glittering shop trying to find what to give to whom.

We have a better system. Walk through our Bloor Street door and consult one of our Gift Counsellors — thoroughly trained to save you time and trouble. They know all the lovely things we have to offer.

For Him distinguished, deeply cut English crystal highball glasses . . . decanters . . . tantalus sets . . . crystal cocktail sets beautifully etched with sporting scenes . . . stirrup desk sets of clock and fountain pen in striking chrome finished stirrup mounting for your horsy friend . . . and dozens of other suggestions.

For Her unusual, jeweled compacts and cigarette cases . . . from our exclusive collection of costume jewelry a stunning rhinestone clip or bracelet . . . English china tea services . . . lamps . . . and hundreds of other suggestions for the home.

When you have made your choice, our Gift Counsellors will attend to all the troublesome details of cards, removing price tags, wrapping, addressing and delivery. Every gift is beautifully wrapped in our exclusive, specially designed Christmas paper — at no extra cost, of course. You yourself stroll out carefree, your duty well done.

Though you may search for weeks, there are no gifts so lovely as those we offer for your selection. They carry a sentiment far beyond their cost, whether you choose a modest one for $1 or $5, or the costliest rarity for $50.00 to $100.00.

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Contracts Cover Charges

(Continued from page 1)

a total income in the neighborhood of $3,863,125. After allowing for expenses and interest on the operating company's bonds, there will remain an approximate surplus of $1,628,000, compared with $1,800,000 needed to cover interest on the Beauharnois collateral trust bonds.

Beauharnois' revenue position will remain practically unchanged until 1941-42, though it is possible for the company to secure sufficient income to cover collateral bond interest without provision for depreciation, etc. However, in 1941-42, interest on the collateral bonds will be covered before depreciation.

When Beauharnois is making full deliveries to Ontario Hydro 1943-44, the company will have a revenue for the first year (1944, when 250,000 h.p. is delivered for the 12 months) of nearly $5,300,000. Allowing for interest on the first mortgage bonds to the full amount (including the bonds now underwritten but not issued), expenses and taxes, Beauharnois will have in the neighborhood of $500,000

Financially Gatineau does not benefit as much from the new contract as does Beauharnois. This is only natural in view of the fact that Gatineau is now delivering a large block of power to the Commission and, in addition, receives a substantial revenue on power held in reserve.

The existing agreement gives Gatineau an annual revenue of $2,863,000 from Hydro. For 1938, the company will receive from the same source approximately $3,213,000, a gain of $350,000.

For 1939, Gatineau's revenue from Hydro will jump to about $3,689,000, an increase over present revenue of $826,000, and when full deliveries are made, revenue moves ahead to $4,000,000, or a gain of $1,137,000.

Thus, for 1938 earnings on the common of Gatineau should increase about 21 cents a share provided that income from other sources remains unchanged.

For 1939, Gatineau should be able to show an increase of 50 cents a share on the common from the increased Hydro revenue.

For 1940, the gain should amount to around 70 cents a share, which would make total earnings of $1.50 a share on Gatineau's common.

Strengthen Maclaren Power

Maclaren - Quebec Power Co.'s original contract, the one cancelled at the end of 1935, called for ultimate delivery of 125,000 h.p. The second contract reduced the amount to 40,000 h.p. and cut the rate from $15 to $12.50 per h.p. The current revision provides for an increase in deliveries from the present 40,000 h.p. to 100,000 h.p. by Nov. 1, 1944.

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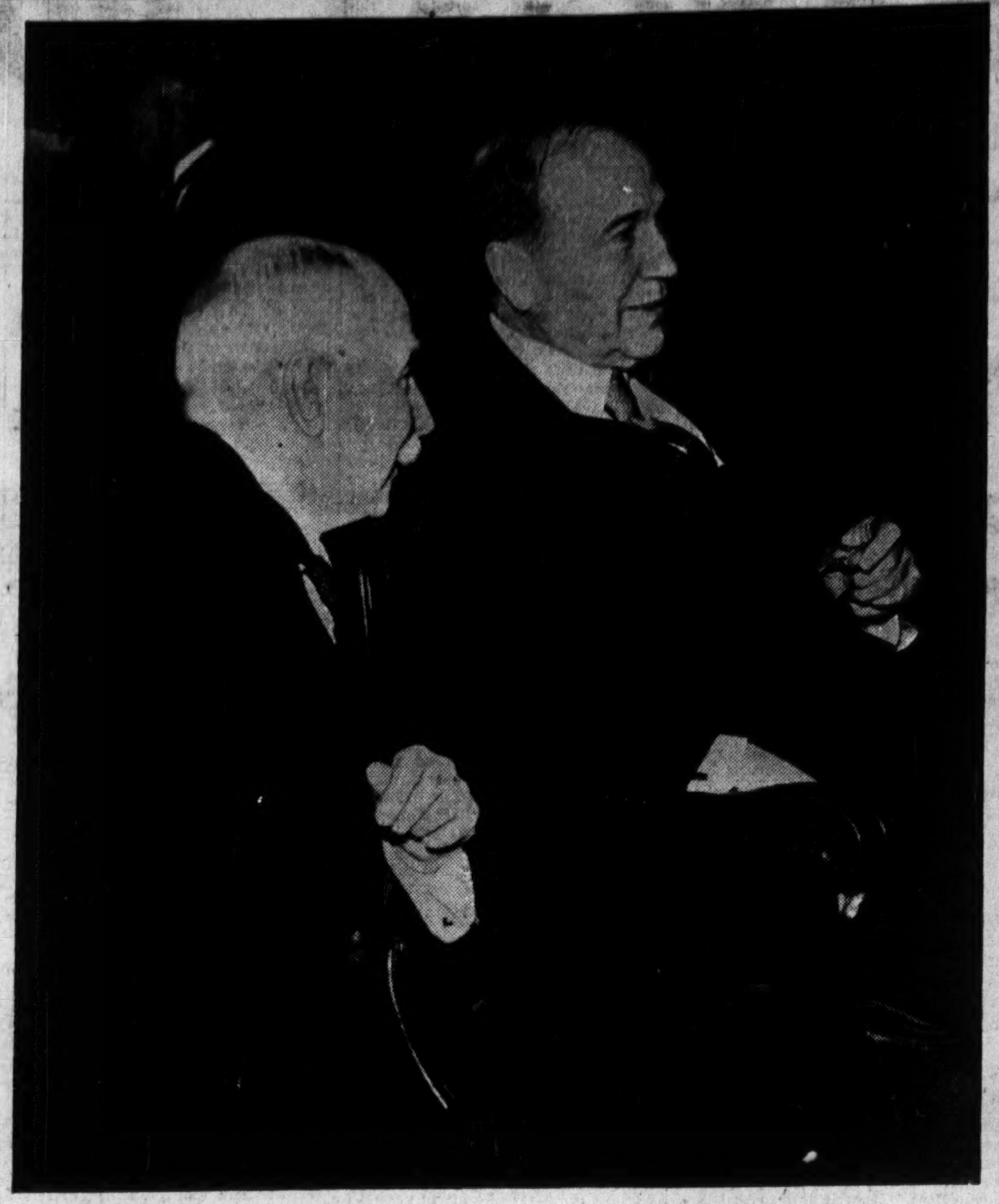

Col. J. B. Maclean and Hon. Albert Matthews (right), Lieutenant-Governor of Ontario, photographed at the Christmas party in Toronto last week which also marked the 75th birthday of Col. Maclean and the 50th anniversary of the founding of The MacLean Publishing Company, Limited.

Lieutenant-Governor Honors Col. Maclean

Commends Efforts of Veteran Publisher to Unify Canada in Address at Triple Celebration of The MacLean Publishing Company,

Hon. Albert Matthews, lieutenant-governor of Ontario, last week presented to Col. John Bayne Maclean an illuminated address signed by the 900 employees of the MacLean Publishing Co. in Canada, Great Britain and the United States.

The occasion was the staff's annual Christmas party in Toronto, which also commemorated the fiftieth anniversary of the founding of the company and the 75th birthday of the company's founder and chairman.

Mr. Matthews' Address

In making the presentation Mr. Matthews spoke as follows:

"It is a great pleasure to me and my wife to be present with the members of The MacLean Publishing Co. organization, their wives and children at this Christmas tree party.

"I do not feel that I am a stranger here for not only do I know personally a number of your officers and members of your staff but I am constantly brought in touch with you as I have for many years been a regular reader of a number of your publications.

"I did not realize until recently that it took a staff of 900 full time employees to edit, print and sell these publications.

"I have known the Founder and Chairman of this far-flung organization for many years. We spent some time together at the first World Economic Conference held in Geneva in 1927. I also have had the pleasure of knowing Mrs Maclean, his charming wife, who has been a great help to him.

"I got some insight then of his wide interest in national and international affairs and the meticulous care he took to meet and talk to everyone whom he thought could furnish some information which could be used either directly or indirectly as background knowledge for the enlightenment and guidance of readers of his numerous publications.

"I believe the publications you produce will stand comparison with those published in the United States or Great Britain, and they have the great merit of dealing with Canadian subjects."

"They are all national in scope.

"What would we do without them?

Provide National Link

"Would the people of one province know as much about the people of the other eight provinces if it were not for the national publications which reach them week to week and month to month?

"Ten years after Confederation, Col. Maclean established his first publication. They are now nearly two score in number.

"Confederation provided a basis for development of national unity. The machinery is there but we must have an informed and enthusiastic people to make the best of it.

"The people in the various provinces have many common interests, but they are apt to be overlooked if there is not leadership of a broad, statesmanlike character. We have such leaders in each province, but it requires a National Forum, a common meeting ground for discussion of the many problems which confront us. The national magazines and periodicals have done much to supply this need.

"It is a great accomplishment to build up a circulation for a group of newspapers, magazines and periodicals which ensures three million readers.

"It is especially creditable to know that this has been achieved with a good, clean type of reading matter without any cheap, tawdry sensationalism. It is a tribute not only to the publisher but to the people of Canada that such a clientele could be secured in a country of eleven million people.

Tradition of Integrity

"Some of the hundreds of children whom I see before me will probably be present at some such gathering as this in another fifty years' time. May they carry on the traditions of integrity, virile independence and love of country which have been implanted in this business during this first fifty years.

"Colonel Maclean, your staff wanted you to have a personal message from each one of them to commemorate your 75th birthday and the 50th year of the founding of this business. They have therefore signed this illuminated address which has been very artistically engrossed and bound, and it will always be a reminder to you of the loyalty and affection of each one of them.

"I am very happy to have the honor of presenting it to you on their behalf."

Letter From Dr. Bruce

The chairman of the gathering, J. A. M. Livingston, then read the following cordial letter from Dr. Herbert A. Bruce, until recently Lieutenant-Governor of the province:

"My dear Colonel Maclean:

"Our friendship of many years and the high esteem I have always held for you combine to make me regard it as a personal misfortune that I cannot be with you on this happy occasion.

"I shall not be denied this welcome opportunity, however, to send you this most sincere, though inadequate, expression of my great admiration for the fine qualities of integrity and uprightness of character which have enabled you, while building up a great publishing company, to make a tremendous contribution to all that is best in the life of this province and of this great Dominion.

"Most cordially do I congratulate you upon a career so great in accomplishment and so rich in the fruits of devoted labors inspired by this worthiest of ideals. There are no greater responsibilities than those of a publisher who is also a molder of public opinion. The high standards of thought and speech which have always distinguished the House of MacLean are sterling evidence of the manner in which you have discharged the responsibilities vested in you. It is but natural and indeed inevitable that you should be associated in my mind always with the lady who has been your helpmate and constant companion through the years of your remarkable achievement.

"May your days be long in the land you have served with such great distinction."

Col. Maclean's Reply

In replying to the lieutenant-governor, Col. Maclean referred to the early days of the organization and added:

"Throughout these 50 years my object has been to make my papers instruments of Canadian unity. Through them I have consistently fought for those things which will bestow understanding, tolerance, goodwill, prosperity and happiness upon the peoples of this Dominion.

"That object is the object of all the men who are today in charge of MacLean publications. I rejoice in their enthusiasm for the principles upon which I founded this business; principles which I know will be adhered to by the generations which follow me.

"Today we all have a very responsible place to fill. Playing no favorites, we must all serve Canada consistently, no matter what our own interests may be. We must serve Canada by promoting still more aggressively understanding, unity and honest government within Canada, among the provinces, among all classes and religions, and particularly through the great class fields of agriculture, commerce and industry.

"We must help them by gathering from world sources helpful information and presenting it clearly and without bias. We can help Canada by making Canadians more successful in their undertakings, by demonstrating how they can produce things of the highest quality at the lowest cost; how they can satisfy the buyer. If more of our products are wanted, especially abroad, it means more work; more men and women employed on the farms, in our mines, fisheries, forests and factories. That in turn means more prosperity and happiness for all Canada, and particularly for all of you—my official family."

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Hamper No. 9, $4.55

- 1 peck Potatoes
- 2 tins Peas, No. 2 tin
- 1 tin Tomatoes, No. 2½ tin
- 2 tins Peaches, No. 2 sqt. tin
- ½ doz. Oranges
- 1 pkg. Apples
- 1 lb. Prunes
- ½ lb. SunGlo Coffee
- 1 pkg. Jelly Powder
- 1 32-oz. jar Jam, with pectin
- 2 lb. Christmas Pudding
- 1 lb. Seedless Raisins
- 1 lb. Dates
- 1 lb. Creamery Butter
- 1 lb. Candy
- 1 lb. Mixed Nuts
- 6 lb. Roast of Beef
- 1 lb. Sliced Bacon

Hamper No. 8, $5.70

- 1 peck Potatoes
- 2 tins Peas, No. 2 tin
- 2 tins Tomatoes, No. 2½ tin
- 2 tins Peaches, No. 2 sqt. tin
- 1 doz. Oranges
- 1 pkg. Apples
- 2 lb. Prunes
- ½ lb. SunGlo Coffee
- 2 pkgs. Jelly Powders
- 1 32-oz. jar Jam, with pectin
- 3 lb. Christmas Pudding
- 1 lb. Seedless Raisins
- 1 lb. Dates
- 1 lb. Creamery Butter
- 1 lb. Candy
- 1 lb. Mixed Nuts
- 9 lb. Roast of Beef
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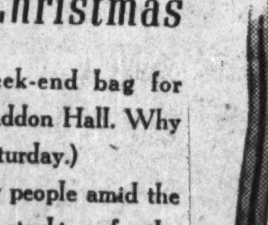

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The Red Drive on New Canadians

Communists Seeking to Build Pliable Mass Organization Through Própaganda in Foreign-language Press

In the recent Toronto election, Communist voting strength and representation on civic bodies made advances which provoked considerable comment. Tim Buck, executive head of the Communist Party of Canada, increased his 1936 vote from 31,000 to approximately 44,000 and came within 260 votes of being elected to the board of control. Not only was the lone Communist alderman re-elected, but a second Red councillor was elected in another ward. The Communist trustee on the board of education was re-elected, and voters in two other wards returned C. C. F.-laborites endorsed by the Communist-supported Labor Representation Association.

The chief factor is the growing influence of the Communist machine among those of foreign birth and ancestry. The extent of the foothold gained by Communism among foreign groups throughout Canada and the systematic, intensively organized manner in which it was accomplished, is revealed in the following contributed article. An accomplished linguist, the author has for some years made a close study of Communist activity among foreign language groups throughout the Dominion.

Membership of the Communist Party in Canada is 90 per cent of foreign extraction, to a large extent foreign-born. The party does not emphasize this fact. On the contrary, the party effort is to make it appear that Communism is a movement of native-born Canadians.

But even the casual observer at a Communist gathering is quick to notice that the men and women who listen patiently to fiery speeches in English, who stand with fists clenched in the Communist salute, and who sing the Internationale lustily, are mainly of Slavic origin.

Canadian Red leaders fight vigorously against labelling of the Party as an alien growth promoted and controlled by the Soviet-supported Communist Internationale. In their efforts to make it appear more Canadian, they have sent during the past 16 years about 60 Canadian-born youths to Moscow to be trained as agitators and propagandists and established training centres in Canada for hundreds of others.

Use Canadians as Front

These native Canadians, whose conversion to Communism was accelerated by prospect of a steady salary and special perquisites, are used as a front for the party while the dominant foreign groups are kept in the background.

At the last party convention the Central Committee elected consisted largely of Anglo-Saxons. But its Central Political Bureau of eight members, which really directs the Party's activity in Canada, include only one native Canadian, three other Anglo-Saxons and four foreigners.

The party depends to a large degree on its foreign membership and on the 40,000 members of the foreign "mass organizations" it controls or influences, in its progressing efforts to elect candidates for public office, to control labor organizations, and to foster sympathy and friendship for the Soviet Union.

Few foreign-born Communists were Red adherents when they came to Canada, and few of the Canadian-born Communists of foreign extraction were influenced by parents in their allegiance. The Ukrainians, Russians, Finns and other nationals became Communist only after they had been in Canada for a considerable period, and in many cases Red influence did not become effective until it went to work on immigrants' children.

Poverty Not a Cause

Poverty has nothing to do with the spread of Communism in Canada among the foreign groups. Any one who knows conditions in the Central European areas constituting the source of these groups will reject the idea that poverty in Canada drives them to Communism. In their homelands many of such people were poor, semi-literate farmers, and when forced to leave home and work for wages, subsisted on earnings of 20 to 30 cents a day. Political movements held no interest for them. Their grasp of social and political questions was limited in comparison with the average people of more advanced countries. Canada for them was a land of promise.

The preponderance of foreign elements in the Communist movement resulted because the party deliberately set out to capture their adherence by a persistent and carefully organized campaign. During their first years here their main interest was to establish themselves—to get jobs, set up homes, learn enough English to enable them to manage their affairs. As they became established they sought relaxation and social life, fresh interests, and attractive means of building up financial security.

It was at this stage that the Communist party jumped in. The party set up various mass organizations to suit every need and purpose of immigrant-benefit societies, recreation clubs, English classes, co-operative buying associations, music and dramatic circles, etc. In other cases, it has achieved control or wields a significant influence on the affairs of existing organizations. In addition to being led into sympathy and support of Communist policies, many of the foreign mass organizations have proved fruitful grounds for recruiting of new party members by party agents planted among the membership.

Section 98 a Deterrent

During the days of Section 98 of the Criminal Code it was very difficult for the party to get members from these so-called mass organizations, because of their fear of prosecution and deportation. Now that Section 98 is removed, these organizations have become even more fertile fields for recruits. It is interesting to note that combined population of Scandinavians and Germans is equal to combined number of Slavic groups in Canada, but the number of Communist followers in the first group is negligible—less than 1 per cent.

Many of these mass organizations were originally set up by Communists or radical socialists, and their organizational structures are closely patterned on that of the party. It is thus easier for the party to control them. Every Slavic group has one or more mass organizations, with branches throughout the Dominion, directed closely though secretly by the Central Political Bureau, the controlling executive body of the Communist party of Canada.

The party in itself is not a movement. It is only an apparatus that controls and moves mass organizations, foreign and otherwise, and works out plans for them. Many a new Canadian, for example a Ukrainian, would join the Workers' Benefit Association because he is told that the Association is non-political and functions solely to look after welfare of members in time of sickness. At the time of joining he would not know that this association is under direct control of the Communist party.

As soon as he enters any such organization, he will be inundated with radical literature, exposed to revolutionary plays and speeches, and in no time he will be a made-in-Canada Communist.

Ukrainian Groups Strong

The Ukrainians are one of the national groups in which the Reds have gained a strong foothold. The Ukrainians have four main mass organizations, the most powerful of their type in Canada: Ukrainian Farmer-Labor Temple Association, Workers' Benefit Association, Workers' Trading Co-operative Limited and Society in Aid of Western Ukrainia. Recently formed to cover the younger element is the Ukrainian Youth Federation. Of these four, the most powerful is the Labor Temple Association, with over 200 owned halls throughout Canada, and at least 60,000 adherents. Its combined national assets run into millions; the Toronto branch alone has about $120,000 worth of property, and Winnipeg about $500,000. The Workers' Benefit Association is composed of about 5,000 members, with cash in bank of $117,000 and property valued at $187,000.

Exercise of the Communist party's control and influence in these organizations is very simple. The party has a special unit known as the All-Canadian Ukrainian Party Fraction, composed usually of trusted party members such as J. Navizivski, John Boychuk, Matthew Popovich, who are also members of the national central committee of the respective mass organizations. There are also party fractions in every local organization or branch, guided by the district party bureaus.

Before every membership meeting of a branch of a mass organization, a party fraction within this branch holds its own private meeting at which an agenda for the general membership meeting is prepared. This fraction group might be as small as 10 members in an organization of 300, but every one of the 10 will speak to the same point and their previously made decisions will usually be voted by 300 members automatically. Of course, 290 members out of 300 must not know that among them a group of 10 exists which holds separate meetings and works out plans to carry out instructions of the Communist Party of Canada, sent by way of the All-Canadian Ukrainian Party Fraction and district party bureaus.

Foreign language newspapers have constituted an important weapon of the Communist Party of Canada in extending its influence among Canadians of foreign birth or ancestry. Typical examples of both groups are pictured above. The display includes Ukrainian, Polish, Russian, Yiddish, Serbian and Bulgarian publications.

Control Through Payroll

Perhaps the most important factor in controlling of these Ukrainian mass organizations is the presence on their payroll of about 400 Communists—teachers, newspaper personnel, employees of the Workers' Trading Co-operatives, officers of the four mass organizations and special organizers. Even non-Communists are very careful not to disagree with their superiors, Navizivski and Boychuk, for fear of losing their jobs. Once a man is placed on a salaried list and carries out obediently every instruction of the small clique of party bureaucrats his economic security is reasonably well assured.

Mass organizations of other national groups in Canada are organized along similar lines and directed by the party through their national party units. But they are not as strong as the Ukrainian bodies. Next to Ukrainians in numerical strength come Finnish and Hungarian, but active units are also maintained among Jewish, Czecho-Slovak, Polish and other racial or national groups.

All-Canadian party fractions are elected by fractions within the central executive committee of the mass organizations. Since all fractions are organs of the party within non-party organizations, the All-Canadian Party Fractions are under the direct leadership of the Political Bureau, Central Committee.

National conventions of controlled mass organizations are called and led by the party fractions. Fractions are to see that these conventions support the general policy as worked out by the Communist Internationale. On the eve of the convention of a mass organization, all delegates who are party members arrive a day or two earlier than non-party delegates to hold a pre-convention secret meeting. Such gatherings are attended by a special direct representative of the Central Political Bureau of the Communist party who usually has in his pocket plans drafted in collaboration with the All-Canadian Party Fraction. The party delegates within the convention receive instructions to vote for candidates for the office in the mass organization as slated by the All-Canadian Fraction. And any party delegate who voted against Fraction's decisions or instructions from above would be penalized.

Increase in Newspapers

Perhaps the best evidence of the Communist party's determination to gain and to hold allegiance of the foreign-born in Canada is the fact that so many foreign-language newspapers are controlled by or at least sympathetic to the party. The party had only three foreign-language papers in 1929; eighteen more have been established since then. The party not only assists these newspapers with financial help and personnel, but also supplies news bulletins and special articles glorifying Joseph Stalin, the Soviet Union and the Red army.

For some new Canadians the only papers available in their own language are the Communist papers. They have a combined circulation of 58,900. Eleven are published in Toronto; five in Winnipeg, and three in Sudbury. Two are dailies, three twice-weekly; three tri-weekly; four weekly; five fortnightly; one monthly and one quarterly.

Ukrainian Winnipeg papers include a daily with 11,000 subscribers, a farmers' weekly with 10,000 subscribers, a monthly for women with 2,000 subscribers. The three Sudbury papers are Finnish—a daily, weekly and quarterly with a total subscription of 10,000. The one Russian paper on the list has 4,500 subscribers. A Polish weekly has 2,000; a Czecho-Slovak twice-weekly 2,000; a Croatian tri-weekly 3,000; a Serbian fortnightly 400; a Bulgarian fortnightly, 1,000; a Hungarian tri-weekly 3,500; an Italian fortnightly 1,000; a Jewish twice-weekly 3,500; a German weekly 3,200, and a Lithuanian weekly 1,500.

Party on Military Basis

The extent and success of the Communist Party's control over foreign groups is largely explained by the fact that the party, like all sections of the Comintern, is organized on a military basis.

Out of about 12,000 to 15,000 members, probably only 50 know thoroughly how the party's activity is co-ordinated between the group, as its smallest unit, and the Comintern—the highest body in the Communist world. It is a policy of the party that an ordinary member should not know anything about its organizational set-up or activity beyond his own group or a shop nucleus. His duty is to carry out instructions of a group leader blindly, mechanically and not to question how and where they originate.

Because of the party's highly centralized form of organization, a small clique of executives is capable of mobilizing its members within a few hours by telegrams or 'phone calls to subordinate bodies. Just three years ago, the Communist party of Toronto rallied 4,000 members and followers at the Union Station to welcome Tim Buck on his return from the Kingston Penitentiary. Within three hours after Buck telephoned his lieutenants in Toronto from Kingston, the party had reached practically every member; printed leaflets and flooded the city with them; and every Communist meeting, concert, dance had been stopped and participants urged to go to the station.

Saskatchewan Presents Its Case for a New Deal

Essential Differences Between Prairies and the East are Stressed

By NORMAN WHITE
Staff Writer, The Financial Post

REGINA. — Saskatchewan's recommendations to Royal Commission on Dominion-Provincial Relations indicates that there is a difference of opinion even among the Western provinces, as to the proper solution for the financial difficulties of the provinces and for compensation of certain disabilities arising out of national policies from which it is claimed that the West suffers.

Like Manitoba, Saskatchewan recommends that the Dominion should assume the entire cost of unemployment relief and old age pensions and that portion of relief debt owing by the province to the Dominion. Like its sister province, it also regards this assistance as insufficient for its needs. It suggests, therefore, it should in addition be given a substantial increase in unconditional subsidy from the Dominion and also the right to levy indirect taxation.

Manitoba, on the other hand, suggested that the solution did not lie in increased taxation powers for the provinces but recommended that unconditional subsidies should be abolished through capitalization of the subsidies at 3¼%. Additional aid, Manitoba thought, should be given through a system of conditional subsidies.

It can be safely predicted that the Manitoba proposal will receive greater support from businessmen and students of public finance. It is generally recognized that the history of unconditional subsidies is shameful and that time after time better terms have been granted for political reasons. Furthermore, it infringes the principle that a government should raise and spend its own revenues. As regards granting powers of indirect taxation to the provinces, businessmen feel that it would only increase the overlapping of taxation further. In addition, through indirect taxation, the provinces could set up provincial trade barriers.

Edmonton Journal photo.

The main street of the town of Lloydminster, half in Alberta, half in Saskatchewan, creates one of the problems of the West. Saskatchewan sales tax presents difficulties for merchants on the one side while Premier Aberhart is disturbing business on the other.

As with Manitoba, there is little in the Saskatchewan brief in the way of encouragement to the already burdened taxpayer. While the Dominion is asked to assume large expenditures, the province does not propose to give up any sources of revenue or reduce taxation, but rather to increase its services. It is proposed, however, that consideration should be given to the advisability of the Dominion being given exclusive jurisdiction in the matter of succession duties, income taxes and corporation taxes, the receipts from such taxation to be allocated among the provinces. As an alternative to the collection of corporation taxes by the Dominion, Saskatchewan suggests that the powers of the provinces should be increased to enable them to tax companies incorporated under a Dominion charter and other outside companies.

In proposing the Dominion should assume jurisdiction over these taxes, the province states that it has been faced with constitutional difficulties and that in certain aspects these taxes may be ultra vires. It is argued that Saskatchewan does not receive its proper share of succession and income taxes on the basis of its annual net value of production and a redistribution might be made to the provinces on a per capita basis. In this regard the brief quotes Hon. Norman Rogers, Minister of Labor, as stating that the invasion of the income tax field by the Dominion enables the latter to act as a distributing agency through which some portion of the profits accruing under the protective tariff can be utilized either for direct subsidies to the provinces which have suffered through the effects of the tariff or for the maintenance of common standards of social services throughout the Dominion.

The brief also states that assumption of the entire jurisdiction by the Dominion would result in the elimination of overlapping. Furthermore, the Dominion has the power of more effectually imposing income and estate taxes. In the case of corporation taxes it would remove a source of great annoyance to industrial and other firms, namely, the numerous reports that have to be made to the various governments.

Like the Manitoba Government, Saskatchewan does not believe the amount of overlapping in Government services is large and states that its investigation found no opportunity for effective saving. The opinion is expressed, however, that co-operation between the governments will result in the removal of such unnecessary duplications as may exist.

Although Saskatchewan's recommendations propose a greater centralization of government control in this country, they envision less centralization than do the Manitoba proposals. While the Government admits that as far as possible the adjustments in the direction of lightening the burden of the provinces should be met by the transfer of constitutional duties to the Dominion, it is argued that there are limitations to this method. In this connection, it is pointed out there is the danger of disrupting controversies due to the existence of economic regionalisms and divergent group philosophies, a lack of appreciation of local needs by the central authority and the difficulties of inspection over a wide geographical area.

Generally speaking, it may be said that proposals made by Saskatchewan are less bold than those made by Manitoba and that there is a more conciliatory tone adopted throughout its submission. As regards the tariff and the Canadian monetary policy it is admitted that these must be looked at from the national point of view. While it is argued that the failure of Canada to depreciate its currency early in the depression resulted in a heavy burden on the western farmer, it is recognized that currency depreciation might have strained the Canadian economy beyond the breaking point, have caused widespread default on Government account and seriously undermined the credit of the Dominion. Furthermore, no attempt is made to measure in dollars and cents the cost to the West of the Government's failure to depreciate its currency.

Neither is there any attempt on the part of the Government to estimate the cost of the tariff to western Canada, although the estimate made by Hon. Norman Rogers in this regard is quoted. In regard to the presentation on the tariff the brief states:

"We do not propose in this submission to restate the weighty economic arguments against a protective tariff nor are we here

(Continued on page 16)

Highlights of Brief

Recommendations of the Saskatchewan Government to the Rowell Commission:

1. A scheme for refunding and consolidating the debt of the province.

2. Assumption by the Dominion of the relief debt of the province.

3. Removal of customs tariff on all instruments of production and drastic reduction in tariff on all necessities of life.

4. Transportation facilities be considered from a national point of view and that freight rates structure be examined with a view to giving some relief to exporters of primary products from the West.

5. Construction and maintenance of a trans-Canada highway and highways from United States borders to national parks by the Dominion Government.

6. Assumption by Dominion of entire cost of old age pensions.

7. A contributory scheme of unemployment insurance enacted by the Dominion.

8. Enactment by the Dominion of a national scheme of crop insurance. In the alternative special consideration be given to Saskatchewan for crop insurance as unemployment insurance will be of little help.

9. Minimum wages, hours of labor, periods of rest and generally all matters pertaining to labor should be under Dominion control.

10. Assumption by the Dominion of the entire cost of direct relief.

11. Consideration be given to the enactment of a national scheme of health insurance.

12. Consideration be given to a scheme for payment of pensions at 65 years of age, said pensions to have been contributed to by recipients during their earning years.

13. Complete power be given to Dominion to deal with social services as it sees fit.

14. Assumption by Dominion of power to levy succession duties and sole right to levy income tax, receipts to be paid to the provinces on an equitable basis.

15. Powers of indirect taxation be granted to the provinces.

16. Consideration be given to constitutional handicap under which Saskatchewan operates in the matter of railway taxation.

17. The unconditional subsidy to Saskatchewan be increased.

18. A permanent Grants Commission be established.

A Voice from the Maritimes

The Apple Preference Issue

Maritimes Fearful New Trade Agreement Will Hit Trade

By Herbert L. Stewart

It is not the abstract "constitutional question" that just now holds the centre of Maritime interest. People have in view a danger that is quite concrete.

H. L. STEWART

About this time, every year, the Nova Scotia Fruit-Growers' convention meets in Kentville. It met last week in an atmosphere of sombre foreboding, as a possible loss of the apple preference in the British market haunted every mind. If there is such risk for Nova Scotia apples, there is likewise a risk for New Brunswick lumber. It is the whole principle of the Ottawa Trade Agreements, signed in 1932, that is said to be in jeopardy. Industries which owe so much to the "sheltered market," in which for the last five years they have been at work, are quite intelligibly alarmed at the hint that such shelter may soon be unavailable.

Why should such a thing be apprehended? Whence the anxious look which one marks these days wherever "apple men" foregather in the Annapolis Valley? Mr. Malcolm MacDonald, Secretary for the Dominions, has issued a statement which he intends to be reassuring. Not in response to representations from this side of the Atantic, but in response to curious enquiries in England from the British Empire League. Mr. MacDonald spoke as follows:

"I can assure you that at every stage of the discussions for a new agreement between Great Britain and the United States we shall keep in close touch with the Dominions and other parts of the Empire concerned, and that there is no question of the abandonment, in principle or practice, of Imperial Preference."

All the same the apple men and the lumber men continue to be worried. They know that certain triangular trade negotiations have been in progress, involving Great Britain, Canada and the United States. They are led to believe that British-American trade is to be facilitated on a great scale, and they naturally ask what is the "consideration" for the sake of which our neighbors are prepared to concede so much. In these provinces people are reminding one another that an administration always rather cold to those 1932 Trade Agreements is now in power at Ottawa.

It may be mere suspicion, of course, but the apple men and the lumber men are bombarding the local M. P.'s for an answer.

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What Loss Would Mean

For the meaning of Imperial Preference, in terms not solely nor chiefly of cash, but of values more important than cash, it chances that we can quote just now a most significant witness. This is no less a person than Mr. Neville Chamberlain. Here are his words, which in his present position of British Prime Minister he has an opportunity to traslate into action:

"I can describe the wonder of our trade with Canada as nothing less wonderful than making water flow uphill. It is a thousand times more natural, and more reasonable, that Canada should buy what she wants from the Americans, who are most willing to take her wheat; but she goes out of her way to do the unnatural and unreasonable thing, because in her heart she cherishes a sentiment for the British Islands, and because with all her soul she believes in the future destiny of the British Empire. If the people of Canada, the vast majority of them sprung from our working classes, entertain these sentiments, why should we despair of getting our own working classes to entertain sentiments of a reciprocating order?"

Just so. Mr. Chamberlain did not despair. He was a principal negotiator of the Ottawa Trade Agreements, and last week he told a British audience that these had been "twice blessed." Their revocation, or their modification, must be expected, by the same reasoning, to disturb the Imperial blessedness.

But it would disturb also other and more tangible interests. Preference for the Dominion's producer is as urgent in Imperial interest as protection for the home producer, and we can picture what would befall these eastern Canadian provinces without it.

It is plainly impossible for the fruit-growers of the Annapolis Valley to meet the competition of their American rivals in the British market if they must enter that market on equal terms. Nor is it by any means the apple trade alone that would be affected. How many subsidiary industries, concerned with equipment for packing and shipping fruit; how many transportation agencies, employees of steamer and rail, will suffer if such a blow as this should be struck! A like argument can be developed regarding New Brunswick lumber. And who knows how far the policy may go, once started. It is not merely a trade preference, it is also a traffic preference that is involved, and the business of eastern Canadian ports is at stake.

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No Mere Local Scare

That it is no mere nervous alarm in these Maritime Provinces may be judged from a passage in the London National Review, which ventures to particularize the commodities on which mutual concession is suggested under the coming Anglo-American Treaty. It is proposed, according to the National Review, to drop the Ottawa duties which operate in favor of Empire products of cereals, fruit, bacon and soft woods; and in return it is suggested that the United States might reduce the huge tariffs of 60% on carpets and china, and 90% on woollens. "A campaign," we read in the same journal, "is at present being run in our press in the interests of the U. S. A. and to the detriment of our Dominions."

Let us hope that it will turn out to be a false alarm. It is at least all the more likely to pass away like a bad dream if Canadian sentiment is vocal at once. For developing better trade relations with the United States, for cementing friendship by economic as well as by other means to keep the democracies of the world just now in effective co-operation, we should be all alike enthusiastic. But the method of accomplishing this must not be some reckless "New Deal," whose ultimate consequence is uncertain, while its immediate outcome would be fatal to the industries on which so great a part of eastern Canada has to depend.

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Threat Unfortunate

It is distinctly unfortunate, for the prospect of commending to Maritime acceptance such emendations of the British North America Act as would increase Federal control, that these preferences should just now be threatened. Perhaps they are not threatened at all in reality, but the very rumor is itself injurious. It is sure to start again a familiar train of thought: "Wherever we negotiate as a Federal Dominion, we of the Maritimes will be asked to make some immediate local sacrifice, for which an equivalent—or more than an equivalent—is to come to us later; but while the later indemnity does not mature, the sacrifice is irrevocable."

Let us put such reflections from us; there may be nothing just now to fear, though conjecture is rife, and we should not yield to a reminiscent mood which may so easily become morbid. All the same, we mean to watch the developments of this Anglo-American Treaty affair, and to have our say before it is too late. It is not of liberty alone, it may even be of solvency, that eternal vigilance is the price.

Montreal Share Trading Falls Behind Last Year

From Our Own Correspondent

MONTREAL.—Industrial and mining share turnover on the Montreal markets decreased in November.

Industrial shares traded on the Montreal Stock Exchange and Montreal Curb Market during the past month totalled 780,909 shares, compared with 2,485,820 shares in November last year. Mining turnover amounted to 2,447,129 shares, as against 7,523,340 shares in November. 1936.

The combined volume of industrials and mines was 3,228,038 shares, which compares with 3,716,662 shares in the previous month and 10,009,160 shares in November, 1936.

Dominion Coal Output

From Our Own Correspondent

MONTREAL.—Dominion Coal Co.'s Cape Breton mines produced 388,726 tons in November. This is the largest total for any November since 1926. The hoist that year was 401,119 tons, while for November last year the mines brought 379,499 tons to the surface.

United Corp. Pays Arrears

Payment of $1.87½ a Share Clears Board to Nov. 15

From Our Own Correspondent

MONTREAL. — United Corporations Ltd., successor to Consolidated Investment Corp. of Canada, has declared a dividend of $1.87½ a share on the class A stock, payable Jan. 3 to shareholders of record Dec. 15. With this payment all accumulated dividends unpaid to Nov. 15 will be liquidated.

The action by the directors would indicate a further improvement in the company's earning power. From 2 cents a share in 1934, earnings on the class A increased to $1.09 in 1935 to $2.24 a share in 1936. Dividends paid and declared for this year total $4.87½ a share.

May Draw on Surplus

It is rather questionable if earnings this year have increased sufficiently to enable the company to pay nearly $5 a share on the class A stock out of current income, the belief being that part of this distribution comes out of surplus account.

No interim report has been issued by the management, so that results for 1937 will not be known until next February.

Vermont-Maine Airways Starts Second Service

From Our Own Correspondent

MONTREAL.—Central Vermont-Boston-Maine Airways, operating between Montreal, Vermont and points in Boston, have inaugurated a second daily round trip.

A plane will leave Montreal for Boston at eight o'clock every morning and make the flight in two hours and one minute, with intermediate stops at Burlington, Montpelier-Barre, Vermont, Concord and Manchester, N.H. Returning, the plane will leave Boston at 2.24 o'clock in the afternoon and is due in Montreal at 4.25.

There will be no change in the 11.06 a.m. arrival from Boston and the 2.39 p.m. departure from Montreal.

Transatlantic Air Mail Service Likely in 1938

Start of the projected transatlantic air mail service is probable next year as a result of the experimental flights carried out during the past summer by Imperial Airways and Pan-American Airways, according to a report in the London Times monthly trade and engineering review. Data produced by the flights are still being studied and further test flights are to be made, but the report declares the flights this year demonstrated practicability of regular service, at least during the summer.

The restriction of pay-load resulting from the heavy fuel load the transatlantic planes must carry will compel levy of postal surcharges on mail carried, until such time as larger aircraft are used

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What's What In Advertising

By JEAN R. GEMMELL

International Silver Co. of Canada have appointed Young & Rubicam Ltd., Toronto, to handle their account for 1938. Plans for the campaign have not as yet been announced.

• • •

Virginia Dare Ltd., Toronto, with branches in Hamilton, St. Catharines and London, are using newspaper space in the four cities to advertise ladies' accessories. Walsh Advertising Co., Toronto, is in charge of advertising.

• • •

Vickers & Benson, advertising agency, have released a Christmas campaign for Wilkinson hollow-ground razors. Newspapers and rotogravure publications will carry the advertising until Christmas.

• • •

Nash Motor Sales organization has just launched an intensive merchandising campaign stressing the new Nash conditioned air system for winter driving. The campaign is expected to result in more demonstrations of Nash cars during the coming winter months than any four-month period in the company's history, regardless of the season.

• • •

The Ferres Advertising Service, Hamilton, announce the appointment of J. P. Regan to its staff. Mr. Regan, who will be in charge of new business, has for some years past been connected with the Easy Washing Machine Co., prior to which he was in charge of sales promotion for the Victor Talking Machine Co. and Canadian Westinghouse.

• • •

W. E. Booth Co. Ltd., agents in Canada for Ilford Ltd., England, manufacturers of photographic films and supplies, have appointed Lord & Thomas of Canada Ltd. as their advertising agents. Plans for 1938 consumer advertising are now in works.

• • •

I. D. Carson, formerly vice-president of Dorrance, Sullivan & Co. Inc. (New York), and for 14 years with N. W. Ayer & Son Inc., in Philadelphia and South America, has been appointed manager of the Canadian National Newspapers and Periodicals Association to succeed John Atkins who has become director of Canadian Magazine. Mr. Carson is a native of Ontario and was identified with Canadian Publishing activities prior to entering the advertising agency field.

• • •

D. V. McLeod has been appointed advertising manager of The Farmer Magazine, Toronto, succeeding Alfred E. Hall who has become advertising manager of the Canadian Magazine. Mr. McLeod has been connected with The Farmer Magazine for the past 10 years, first in the Montreal office of the company and for the past four years in Toronto.

• • •

P. E. Riroux has been appointed advertising manager of Le Canada, French daily paper in Montreal. Previous to this appointment, Mr. Rioux was connected with LaParole and The Spokesman, Drummondville, Que., as managing director.

• • •

According to reports from Ottawa, 1938 domestic plans for the department of fisheries and also advertising plans for the Dominion Marketing Board are near completion. The latter advertising will deal with the marketing of domestic products in the United Kingdom.

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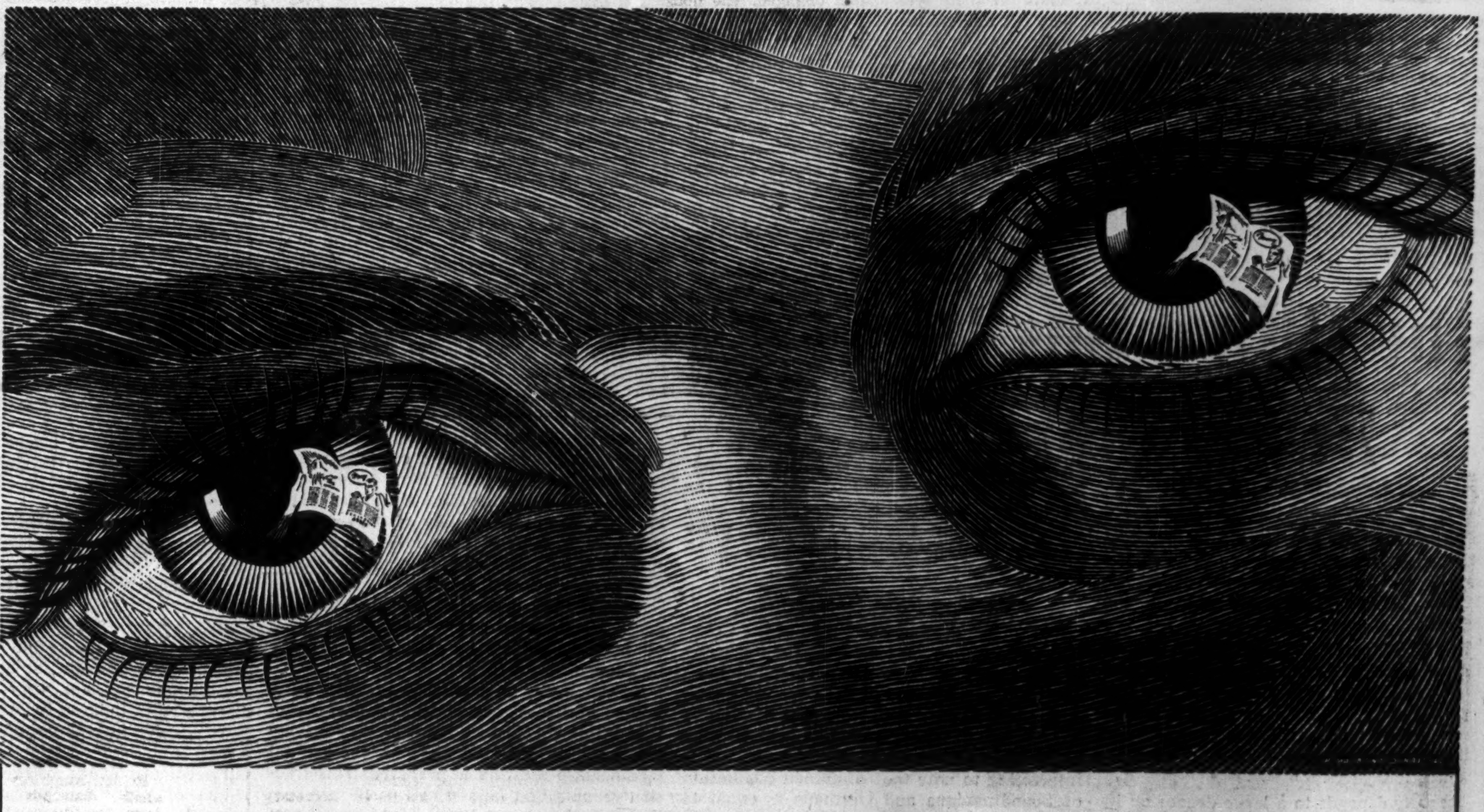

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THE EYES are the windows of the mind. Through them your message passes to make its impression upon memory . . . to depict your product in familiar form.

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THE NATIONAL MAGAZINES of Canada give you complete coverage . . . simultaneously from sea to sea. They are read . . . thoroughly . . . at leisure. They distribute your advertising so that every retailer gets support . . . yet your advertising cost stays within economic bounds.

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NATIONAL COVERAGE FROM SEA TO SEA

Realities in Real Estate — 8

Women in the Real Estate Picture

By R. A. McEACHERN
Staff Writer, The Financial Post

Women, whether they know it or not, are an equal factor with men in the giant real estate picture.

And this has little or nothing to do with equality, votes, emancipation or her entrance into the world of business.

It is rather the old, deep-rooted and if you like sentimentalized place which woman has in society which makes her the co-arbiter of billions of dollars worth of residential property, which wipes value off one locality, and makes another a gold mine. A vast amount of property is directly in her control often with dire results to herself and to real estate in general.

Love, marriage and a home is the normal parade of events in the citizen's life.

"Oh, I never bother with the women. Unless I can get the man, I just say I'm busy," one successful realtor told me recently.

Doubtless the husband does sign on the line and worry about the payments. But who made up his mind? Who helped him decide the locality, the type of house?

Who starts the agitation for a new home? Who wants the new district, the gadgets in the kitchen, the sleek modern style? Who objects most to the bother of moving?

Factor in Obsolescence

Women have more to do with obsolescence, perhaps the biggest single cost of home owning, than science or invention.

Here's one example. Mr. and Mrs. K. bought a new home for $16,500 eight years ago in one of the more fashionable districts of a big Canadian city.

This year that district has a lot of for sale signs. Some are trying to sell without a sign. Mr. and Mrs. K have moved out after a troublesome trade in which they only got about $8,500 for their eight-year-old house.

What happened? Buying at an inflated 1930 price had a lot to do with it. But that doesn't explain why so many are trying to get out. Nor is it because of the people who have been moving in.

The feminine urge to follow the swing of fashion is the key. This was no longer a smart address for the social columns.

Lure of Newer Districts

Most of the houses were big, square and essentially ugly. Newer districts were showing so much that was enticing and often essentially beautiful that the feminine heart was filled with dreams that she insisted become true.

The fact that for so many women these dreams did come true, probably is largely because of the great decrease in the cost of building during this decade. The man who pays often figured that he might as well take his loss, and get into another

"—not only a style, but a method of construction."

property at near rock bottom price.

Real estate agents, builders, and architects and the socially big shot "Mrs. Jones" all have something to do with house styles, but "Mrs. Jones" has more to do with them than anybody else. Unfortunately, her social eminence has nothing to do with her taste. Hence, streets lined with counterfeit this and that, reeking with newness and fundamental ugliness.

Here is another case. In 1923, Mr. and Mrs. R. bought a home for $9,500. It has only seven fair sized rooms. It stands on an ordinary city lot. It is an ordinary house. A few months ago they were offered $8,500 for it, and didn't take it.

The district is fairly stable, of course, but the main reason for the high present value is the style of the house and its original soundness of plan and construction. Mr. and Mrs. R. were not stampeded by the then newest creation of the builder's "art." They insisted upon and finally got a style and plan that for more than a century has proven agreeable to civilized human beings.

Sound Design Pays

Sound design, call it beauty if you prefer, does pay. Every city is dotted with houses that prove it, and strewn with outrages which, by the grief they have brought their owners, also prove it.

What is sound design? I don't know. Perhaps you don't either. Architect S. H. Maw, prominent designer, says: "Instinctively, everybody realizes good form and proportion when they see it. They can't explain it or describe it, but they feel and know it when the design is right."

These are the houses that wear well, that outlive the "ordinary" houses around them. An owner's needs may change, but at least he sells for other reasons than that he hates the sight of the place. The house of sound design is never dated.

It isn't fancy. There are no tricks in design or plan. It doesn't sound exciting, nor does it shriek out for the gaze of every passer-by.

But because it is sound design, expressing the grace and refinement of one of the oldest of the arts, that house, large or small, stands out on almost any city street a monument to its designer and a tribute to the discernment of the people that live in it.

Modern Architecture

Where does modern architecture stand in this select company of well designed houses?

Quite naturally, there is just as much bad and ugly designing masquerading under the name of Modern as there is under the honored name of Tudor, Norman, Colonial or any of the rest. Canada, unfortunately, has not yet fared notably well in Modern residence construction.

Since the world is still fighting about the future of Modern versus traditional styles, and since another 30 years will bring the real answer, here is the best way to come to a conclusion.

Fundamentals of good design have never changed. The house you live in stems back directly to the Greeks, and beyond. Does this or that Modern design obey these fundamentals of good design? You or your trained adviser will have to decide. But because it's called or looks Modern, don't conclude it's good. If it's called modernistic, you have extra reasons for suspicion.

The other question to ask yourself is, What is a house for? "A machine for living in" is the new answer. Does it keep out the cold? Does every room adequately serve the purpose for which it was intended? Will that "machine for living" give you the reliable and long-term satisfaction that you demand and get from your other machines—auto, refrigerator, etc?

With first-rate Modern design the answer to these questions is likely to be "yes." "For the Modern" house is not only a design, it is primarily a method of building, of stripping a house to fundamentals of utility and beauty, of making it warm in winter, cool in summer, of putting in nothing that is superfluous, of leaving out nothing that will smooth the course of every-day life.

But there is little in other good design, Tudor, half-timbered, Georgian, French Provincial or any of the rest, that cannot offer these fundamentals just as well as Modern. Granted always good design, and sound workmanship, the choice must be left to personal taste and the verdict of time.

Victims of Goodwill

But there is another and much less happy side to the story of women and real estate. The women who, especially in recent years, are the victims of goodwill.

There are twice as many widows as there are widowers in Canada and some 2.5 million unmarried women over 35 years of age.

In the vast majority of cases, where there is any estate to inherit, an important item in the inheritance of the widow or unmarried daughter will be real property—often "the old family home." In most cases it is looked to for an important source of income, either in point of view of rent saved or rent earned.

Here are a few things to consider before you decide on the kindness of leaving real property to one you cherish.

What is it really worth? It may have been a $12,000 home when you got it 25 years ago. It may be worth only about half of that now. Get a first-rate estimator to tell you the truth. It may prove to be bitter. Property is going to come back. By the time your widow wants to sell, the real estate boom may be here. But is it going to do much for your house? Ask about that too.

Remember that during that 25 years you have had that house, your district may have been losing ground socially. Your house may be better than the day you bought it, but the odds are against you or your heir getting what looks like a good price for it. Remember the taxes and the yearly income they demand.

Factors to Be Watched

Ask yourself, "What will my widow or my sister or my daughter do with this house after I'm gone?"

Will she remain in it? Should she remain from point of view of comfort and cost? Will she have to turn it into a duplex or flats to make it pay its way? Has she the money to perform that $1,000 to $3,000 operation? Will she have to start right in on major repairs—roof, plaster, heating plant, plumbing, sagging foundations?

No wonder the "old family home" is often the family's financial nightmare. It isn't real estate that is to blame. It is misplaced kindness, placing what may demand onerous capital expenditures and difficult administrative problems in hands probably short of cash and of real estate expertness.

Make sure, then, that you really know what you are doing when you write, "I hereby........ to my wife........."

HEADS STUDEBAKER

M. S. Brooks has been appointed president of Studebaker Corp. of Canada, according to an official announcement by A. L. Frank, chairman of the board. Mr. Brooks has been general manager of the company for the last three years. He is a Canadian, being born at Port Elgin, Ont.

B. C. Seeks Light On Trade Treaty

Silence on Negotiations With U.K. and U.S. Seen as Ominous

From Our Own Correspondent

VANCOUVER.—British Columbia, which seems likely to be more affected than any other province from proposed revision of Empire tariffs to accommodate a trade deal between the United Kingdom and the United States, is still "in the dark" about the negotiations said to be under way between Ottawa and London.

Fruit growers, in conference this week in the Okanagan, went on record against the secrecy prevailing at Ottawa. Meanwhile industrial interests are, in the words of Hon. Grote Stirling, M.P. for Yale, "dealing with surmise based on anxiety."

Representatives of various trade bodies are now on their way east to seek definite information. Lumbermen are said to be contemplating a campaign for free trade in Canada if they lose their preference in the United Kingdom, so that they could obtain their equipment at lower prices.

Avon River Power Co. Seeks to Widen System

From Our Own Correspondent

MONTREAL. — Application has been made to the Nova Scotia Board of Public Utilities by Cyril L. Parks, of Noel, Hants, Co., to sell and transfer his electrical distribution system to the Avon River Power Co., a subsidiary of Nova Scotia Light, Heat and Power Co.

The Board will consider the application on Dec. 21.

Citizen First Policy Urged

Winnipeg Board Suggests Guide for Rowell Commission

By STAFF WRITER

WINNIPEG. — The Winnipeg Board of Trade in its recent presentation to the Rowell Commission states that "transcending all issues, the prime need of Canada today and in the future, is that our plan of government in its whole character and above all other considerations shall be that of a nation, with provinces and secondary governmental units occupying a proper but subsidiary sphere."

One thing which will have to be decided by Canadians is whether Canada is to be a national unit or a loose collection of nine provinces.

Confining its brief to some observations on a few cardinal issues, the Board of Trade emphasized that the central standpoint to be maintained in seeking a solution of present difficulties, should be that of the citizen rather than that of administrative bodies.

The following points are emphasized by the brief:

(1) Businessmen are acutely conscious of the fact that the tax burden in Canada is extremely heavy.

(2) Canada is suffering the serious consequences which attend long unbalanced budgets and the debt structure has assumed proportions where the public can no longer remain indifferent.

(3) There is urgent need for a fresh appraisal of what services and functions governments should be expected to perform, and which the taxpayers can afford to support.

(4) Taxation should have a broad base to include all income groups in order that all citizens will be aware that they are paying the cost of government.

(5) There is urgent need for relieving the tax burden on real estate.

(6) There are undesirable and unnecessary obstacles to inter-provincial trade in Canada.

(7) There are inequities, which should be eliminated, in taxation imposed by provinces on companies doing business on a national scale.

(8) There is a growing tendency for governments to become too widely extended in realms of business which can be better handled by private enterprise.

(9) Business is frequently disrupted and subjected to serious losses, through becoming involved in expensive test cases as to the validity of legislative enactments.

(10) There is need for simplification of government in Canada to eliminate overlapping and lack of co-ordination which reduce efficiency and add to the cost of government. There is expensive duplication as regards taxation, insurance, regulation of companies, labor regulations and agriculture.

(11) It is in the national interest to vest power in the Dominion Government to give uniform effect to necessary social and economic changes throughout Canada.

Harding Carpets Profits Higher

Sales Show Sizeable Increase — Another Dividend Declared

Harding Carpets, Ltd., Brantford, Ont., reports net profit of $66,321 for the year ended Oct. 31 last, compared with $54,322 for the previous year. This is equivalent to 38.8 cents a share on 171,025 common shares, as against 31.9 cents in the 1936 fiscal period. Since October, officers and executives have taken up 1,488 additional shares at $3 per share, leaving 11,987 shares under option at this price to Feb. 1, 1941. There are now 172,513 common shares outstanding.

Sales this year increased about 27% over 1936, the increase in profits being proportionately less due to a rapid and extended increase in the cost of raw materials. Prospects for next year are regarded by the president as encouraging, although the company's business is quiet at present.

Accounts receivable, less reserve, amount to $99,844 as at Oct. 31, 1937, which is $22,993 higher than one year ago. Inventories are shown at $419,898 compared with $290,013 at the end of the previous period. Installation of new spinning equipment at a cost of $50,000 is reflected in a bank loan of $96,000.

Another Dividend Declared

A dividend of 10 cents a share has been declared, payable Jan. 31, 1938, to shareholders of record Dec. 18, 1937. Similar payments were made Jan. 2 and July 2, 1937, following an initial dividend of five cents a share on Aug. 1, 1936, on the present capital stock.

Annual meeting will be held Dec. 21 in Brantford.

Income and Surplus Account
Years Ended Oct. 31

	1937 $	1936 $
Earns. from operations*	135,799	114,086
Less: Depreciation	54,478	48,564
Provision for taxes ...	15,000	11,200
Net profit	66,321	54,322
Less: Dividends	34,205	8,500
Surplus	32,116	45,822
Add: Prev. surplus	126,815	81,584
Less: Inc. tax adj., pr. yr.	......	591
Balance carried forward	158,931	126,815

*After charging all administrative, selling and general expenses.

Working Capital

	1937 $	1936 $
Current assets	520,229	374,347
Current liabilities	165,865	46,977
Working capital	354,364	327,370
Ratio	3.14—1	7.97—1

New Branch Bank

A new branch of the Bank of Toronto was opened last week at Levack, Ontario.

Piccadilly is a genuine "London Mixture", offering all the qualities which appeal most to the confirmed English pipe smoker.

Free from "bite", Piccadilly is mild, cool and slow-burning. Truly a noble tobacco, you can smoke it with the assurance that it is the choicest tobacco you can put in your pipe.

Piccadilly
LONDON
SMOKING MIXTURE
MILD

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ADMINISTRATORS TRANSFER AGENTS REGISTRARS • RECEIVERS

The Office Boy hears more than you do

"The boss is making an awful mistake, Johnny. He keeps complaining about how busy he is—and he climbs out of appointments he ought to keep. And honest, kid, it isn't necessary at all.

"Over there at Robinson & Robinson I didn't work half as hard as I'm working now. Hardly ever got stuck at night—and I was a big help to young Mr. Robinson, too. I had *time* to be his assistant. He always used an Ediphone. If an idea occurred to him about something he wanted to do next week, he'd tell it to his Ediphone and I'd remind him when the time came. He answered most of his mail with one reading—he'd read the letter and voice-write his answer right away—just as easy as using his telephone.

"Honest, I wish the boss would get wise to himself. There's no sense in making the old brain tackle a detail three times when it can be handled *once* on an Ediphone. Goodness knows that I'm no worshipper of the Machine Age, but I don't get any fun chewing the end of my pencil during the day and then hustling around like mad at five o'clock. I think I'll talk to the boss about Ediphone. There's no reason why he shouldn't start to get something out of it right away."

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Newsprint Operators Store Low Cost Paper

November Returns Fail to Show Much Change in Output

From Our Own Correspondent

MONTREAL.—Failure of Canadian newsprint production to show any material falling off in November is explained, in part, by the fact that operators, faced with the prospect of a sharp curtailment in production during the first quarter of 1938, put through as much low cost paper as possible before the close of navigation.

Such a policy appears distinctly contrary to the general plan of reducing production in order to bring down surplus stocks to normal levels. On the other hand, by maintaining operations at a high level, production costs were kept down to a minimum, while the saving in waterborne transportation made it worthwhile for manufacturers to carry this paper into the new year.

Gain in Shipments

Last month the Canadian mills produced 302,236 tons and shipped 335,777 tons. Compared with the previous month, there was a decline of about 12,000 tons in production, while shipments increased over 13,000 tons. In November last year, the mills turned out 285,771 tons and shipped 293,075 tons.

Production in the United States last month was along similar lines, output totalling 79,338 tons and shipments 82,967 tons. This contrasts with production of 79,853 tons and shipments of 83,221 tons in November, 1936.

During the past month, the Newfoundland mills turned out 27,243 tons, as against 28,201 tons a year ago.

North American production for November, 1937, according to the Newsprint Service Bureau, amounted to 408,817 tons, compared with 394,284 tons in the same month last year.

Sharp Gain To Date

Canadian mills produced 456,182 tons more in the first seven months of 1937, than in the first 11 months of 1936, an increase of 15.8%.

Output in the United States was 23,017 tons, or 2.7% more than in the first 11 months of 1936, and in Newfoundland 26,334 tons, or 8.8% more, making a total increase of 505,533 tons, or 12.5%.

Seasonal Drop in Stocks

Stocks of newsprint paper at the end of November were reported at 47,772 tons in Canadian mills and 24,064 tons in United States mills, making a combined total of 71,856 tons. At the end of November last year Canadian and American mills had 68,167 tons at the mills, while at the end of October, 1937, mill stocks amounted to 109,006 tons. While there has been a sharp falling off in mill stocks during the past month, it remains to be seen whether the stocks were absorbed through increased consumption or were added to the publishers' supply.

Would Have Law Ban Loss Leader

From Our Own Correspondent

VANCOUVER. — Retail merchants expect that during the present session of the Legislature legislation will be introduced prohibiting "loss leaders."

George R. Matthews, secretary of the Retail Merchants Association in British Columbia, expects unanimous support for the bills, the first of which will deal only with food products. Under the provision no retailer will be able to offer food products at less than 5% above the invoice price.

"The bill cannot be construed as price fixing, because this 5% would care only for the cost of transporting the product," said Mr. Matthews.

The second bill requires all retailers to observe the price set by a manufacturer on his product.

Labor Trouble Greater In Canada In November

The extent of labor trouble in Canada during November, as shown by the strikes and lockouts report of the Federal Department of Labor, showed the usual seasonal recession in comparison with October, but was notably greater than in November, 1936. The number of strikes last month was nearly double that in the same month a year ago, the total of workers involved was six times greater, and the resultant time loss was nearly quadrupled. The chief disputes in November were the strikes of 1,000 coal miners at Minto, N.B., and of rubber workers at Kitchener, Ont., both of which were carried over from October. Walkout of meat packers in Montreal also contributed to the total last month. Of the 26 disputes recorded during the month, 20 had been settled before the end of November.

Comparative figures are shown below:

Strikes in Canada

	1937 Nov.	1937 Oct.	1936 Nov.
No. of strikes	26	30	14
No. workers involved	6,344	7,521	1,264
*Time loss	41,832	55,692	11,327

*Man-working days.

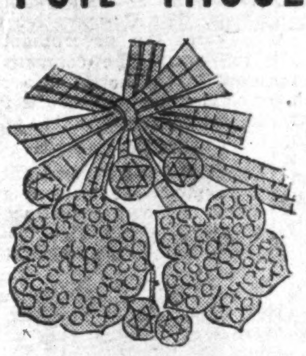
Goulds Pumps Inc. Pays Extra on Preferred Arrears

Goulds Pumps Inc., has declared a dividend of $5 a share on the 7% cumulative preferred stock arrears. This will be paid in addition to a current dividend of $1 a share, both payable Dec. 27, 1937, to shareholders on record Dec. 17.

The latest declaration will bring a total payment on this stock this year to $12 a share and will leave arrears of $30 a share at the end of the year.

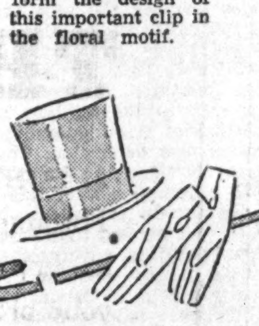
FOR THOSE WHO DEMAND ....

The Finer Things of Life



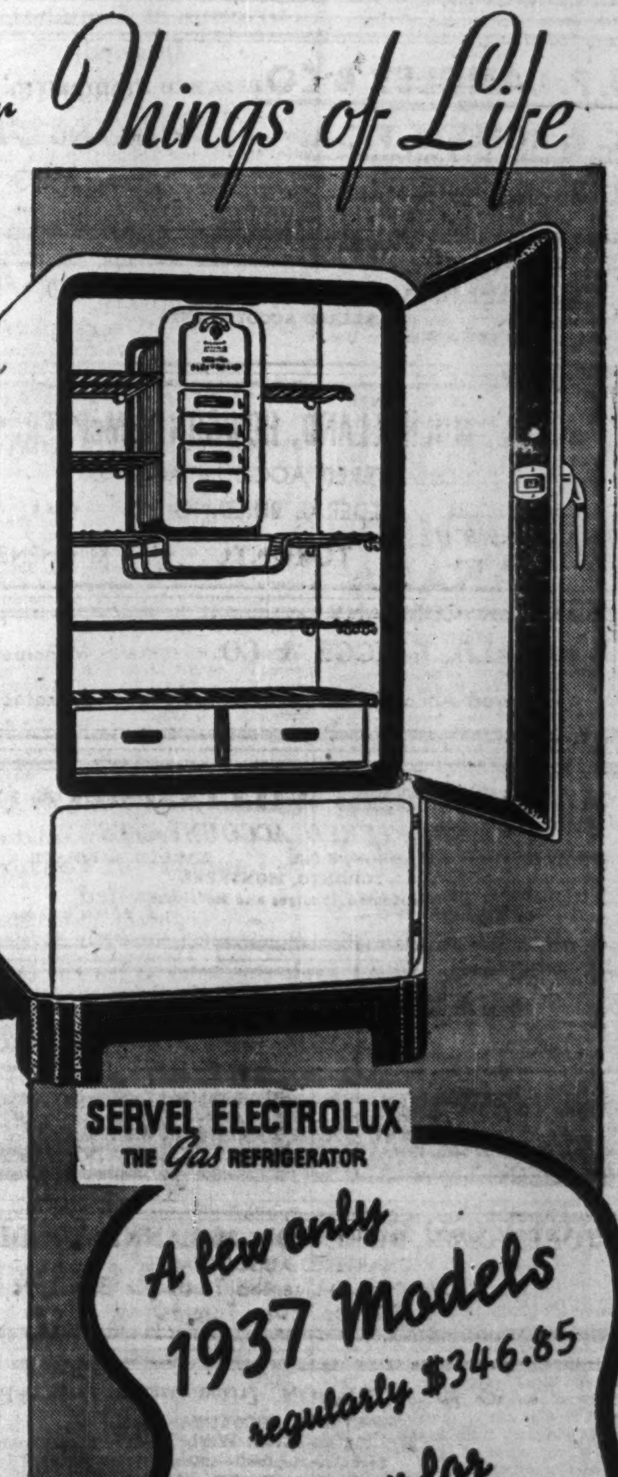
Rubies, sapphires—small diamonds—form the design of this important clip in the floral motif.

From Paris, this gown reflecting the Directoire influence.



Top hat, white tie—stick and gloves—and all that goes with them!

Streamlined luxuriously roomy — to carry you carefree over miles of the broad highway.



SERVEL ELECTROLUX
THE Gas REFRIGERATOR

Here is a real chance for discriminating purchasers who want only the best; whose choice of clothes, furnishings, and comfort-bringers display their good taste.

This gas refrigerator will be the admiration of those intimates who regularly raid your kitchen.

Your choice of this larger model—approximately thirteen feet of roomy shelves—will provide you with the silent and dependable service that only a gas refrigerator can give. And for ice cubes, "abundance" is the word.

There is a liberal allowance for your old refrigerator and a budget-easy payment plan.

A few only 1937 Models regularly $346.85 ...Now for $309.50

The Consumers' Gas Company

55 Adelaide St. E. 2532 Yonge Street 132 Danforth Ave.

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st December, 1937, making a total distribution of ten per cent for the current year — the Dividend will be payable at the Head Office of the Bank and its Branches on and after Monday, the third day of January, 1938, to shareholders of record of the 20th December, 1937.

By Order of the Board.

ROBERT RAE,
General Manager

Toronto, 17th November, 1937.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of $1.50 per Share, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after 3rd January, 1938, to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board.

WALTER GILLESPIE,
Manager.

2nd December, 1937.

Hollinger Consolidated Gold Mines Limited

Dividend Number 300
Extra Dividend Number 41

A regular dividend of 1%, and an extra dividend of 2%, making 3% in all, have been declared by the Directors of the Capital Stock of the Company, payable on the 31st day of December, 1937, to shareholders of record at the close of business on the 16th day of December, 1937.

Dated the 9th day of December, 1937.

I. McIVOR,
Assistant-Treasurer.

THE CANADIAN BANK OF COMMERCE

The Annual Meeting of the Shareholders of this Bank, for the election of Directors and for other business, will be held at its banking house, No. 25 King Street West, Toronto, on Tuesday, the 11th day of January next. The Chair will be taken at 2.30 o'clock p.m.

By order of the Board,

A. E. ARSCOTT
General Manager

Toronto, 19th November, 1937.

Ottawa Light Heat and Power Company, Limited

Quarterly dividends as follow, are payable 1st January, 1938, to Shareholders of record 15th December, 1937:

PREFERRED STOCK: 1¼%, (being at the rate of 5% per annum.)

COMMON STOCK: 1½%, (being at the rate of 6% per annum.)

The transfer books will not be closed.

By Order of the Board.

F. W. FEE,
Secretary.

OTTAWA, 10th December, 1937.

BUILDING PRODUCTS LIMITED

Dividend Notice

Notice is hereby given that a regular dividend of fifty cents (50c) and an extra dividend of fifty cents (50c) per share has been declared on the outstanding common shares of the Company for the quarter ending December 31st, 1937, payable January 3rd, 1938, to shareholders of record December 17th, 1937.

By Order of the Board,

R. C. CROOKER,
Secretary-Treasurer.

The Wabasso Cotton Company Limited

Dividend Notice

Notice is hereby given that a dividend of twenty-five cents per share and an extra distribution of fifteen cents per share has been declared on the capital stock of The Wabasso Cotton Company Limited payable 3rd January, 1938, to stockholders of record at the close of business on the 18th December, 1937.

By Order of the Board,

H. W. CAPEL,
Secretary-Treasurer.

Montreal, Quebec,
December 9th, 1937.

SOUTHERN CANADA POWER COMPANY LIMITED

Preferred Dividend No. 72

A DIVIDEND of one and one-half per cent (1½%) being at the rate of 6% per annum, on the PREFERRED STOCK of SOUTHERN CANADA POWER COMPANY LIMITED has been declared for the quarter ending December 31st, 1937, payable January 15th, 1938, to Shareholders of record at the close of business on December 20th, 1937.

By order of the Board,

L. C. HASKELL,
Secretary

Montreal, November 26th, 1937.

POWER CORPORATION of CANADA LIMITED

Common Dividend No. 13

NOTICE is hereby given that an interim dividend of Thirty Cents (30c.) per share has been declared on the No Par Value COMMON STOCK of Power Corporation of Canada, Limited, payable December 31st, 1937, to shareholders of record at the close of business on December 6th, 1937.

By Order of the Board,

L. C. HASKELL,
Secretary.

Montreal, November 26th, 1937.

Sheep Creek Gold Mines Limited

(Non-Personal Liability)
Notice of Dividend No. 7

Notice is hereby given that a Quarterly Dividend of three cents per share has been declared on the paid-up Capital Stock of the Company, payable on the 15th day of January, 1938, to shareholders of record at the close of business on the 31st day of December, 1937.

Persons holding certificates not registered in their name, commonly known as "street" certificates, should have them registered in their name by the Company's transfer agents, Prudential Trust Company, Limited, at their office, 614 Pender Street W., Vancouver, B.C., or at their office, 217 Bay Street, Toronto, Ontario, on or before 31st December next.

By Order of the Board,

JAMES ANDERSON,
Secretary.

Vancouver, B.C.,
December 4th, 1937.

Saskatchewan Asks Aid Of $5.6 Millions a Year

Average-year Budget Submitted to Rowell Commission Estimates Deficit on Ordinary Account—Taxation Limit Reached, it is Claimed

By Staff Writer

REGINA.—In its submission to the Rowell Commission, Saskatchewan has estimated that it will require assistance of $5.6 millions annually in order to meet ordinary expenditures of government in an average year in the future even if the entire cost of unemployment relief is assumed by the Dominion government.

Taking an average year, based on an examination of long-time production, the government has estimated a yearly crop of 190 million bushels of wheat and an average return to the farmer of 75 cents a bushel. Average government revenue is estimated at $18.7 millions and expenditure at $24.4 millions, leaving a deficit on ordinary account of over $5.6 millions, as shown below.

Estimated Budget
Average Future Year

Revenues:	Actual 1936-37 $	Estimate Average Year $
Dominion subsidy	2,120,083	2,120,000
School lands	1,021,993	1,200,000
Taxation	5,747,499	8,679,000
Licenses	1,849,767	2,000,000
Fees	976,165	1,210,000
Public domain	497,013	570,000
Liquor profits	1,451,275	2,250,000
Interest	2,440,120	130,000
Superannuation fund	115,811	125,000
Miscellaneous	422,478	500,000
Total	16,642,204	18,784,000
Expenditures:		
Legislation	188,653	238,000
Administration	1,403,501	1,567,000
Education	2,875,701	4,475,000
Judicial adminis.	947,599	1,200,000
Transportation & com.	935,067	2,400,000
Public welfare	3,430,698	4,811,000
Agric. & pub. dom.	725,793	1,120,000
Superannuation	250,695	250,000
Miscellaneous	127,874	130,000
Interest	6,645,543	5,330,000
Sinking fund	357,951	2,317,900
Exchange	35,159	35,000
Total	17,905,254	24,473,900
Deficit	1,263,050	5,698,900

Possible Debt Cancellations

In calculating provision for debt interest, cancellation of $28 millions of treasury bills now held by the Dominion for relief expenditures has been taken into account. No provision, however, has been made for interest on $42 millions which the province is asking the Rowell Commission to recommend that the Dominion assume. If this is cancelled, the estimated deficit for the average year would be reduced to about $3.7 millions. If the remainder of the debt of the province is refunded at 3½%, then the estimate of future expenditures will fall $2.8 millions short of meeting the cost of essential services. Assumption by the Dominion of the entire cost of old-age pensions would reduce the deficit to approximately $2 millions.

It will be noted that estimated expenditures for the average year contemplate an increase of $6.5 millions over actual expenditures in the 1936-37 fiscal year. The government states that this increase contemplates a minimum annual expenditure sufficient to restore services to a level in line with other sections.

The tabulation of expenditures above contemplates an increase in almost every field of government but mainly for education, highways, public welfare and sinking fund. It is pointed out that school buildings have been permitted to deteriorate and that teachers' salaries are abnormally low. Expenditures on highways, it is claimed, have been reduced below a reasonable minimum and that a capital loss will be suffered if this is continued.

Sinking Fund Provision

Provision for sinking fund shows a sharp increase. While this will mean a considerable drain on provincial revenues, it is the logical course to pursue if orderly retirement of the debt of the province is to be achieved. The sinking fund provision is calculated to retire the debt of the province in 30 years.

In the statement of expenditures for the average year, debt charges have been based on assumption that subsidiary enterprises of the government and the wheat pool will provide their own interest and sinking fund charges. Thus, the expenditure estimate for debt charges is "net" to the government rather than gross.

In approaching the problem, the government points to the "fundamental consideration" that the people of each province shall enjoy the Canadian standard of living. The task of the commission, it is urged, must not stop short with recommendations that will result in balanced budgets for the provinces but must deal with the real problem of the well-being of the people.

Chief Justice Rowell pointed out that fiscal need might arise out of extravagance and that if a government were extravagant the people must suffer. Attorney-general T. C. Davis replied that the Saskatchewan government felt that its fiscal need was the result of federal policies and certain inherent disabilities over which it had no control.

Chairman Rowell suggested that if the relief debt was cancelled and the entire cost of old-age pensions and direct relief assumed by the Dominion, then the province would be in a position to carry on when the drought was over and good crops again secured. Mr. Davis would not admit this contention.

Because of the dependence of the province on wheat, it was pointed out that the revenues of the government may be subject to wide fluctuations and that the calculation of the average year contains many elements of chance, especially when the weather is included.

Fiscal Position

In setting forth the fiscal position of the province as at April 30, 1937, the government points out that 31% of the funded and treasury bill indebtedness of the province was incurred in the first 24 years of operation as a province, the remaining 69% being incurred during the past eight years. Since 1929 the funded and treasury bill indebtedness of the province has increased by about $137 millions to slightly less than $200 millions as at April 30 last.

The indebtedness of the province as at April 30 last is set out below:

Saskatchewan Debt
As at Apr. 30, 1937

	$
Funded debt	124,043,320
Treasury bills:	
Held by Dominion	63,425,347
Held by others	12,333,185
Less: Sinking funds	11,414,644
Treasury bills to be cancelled	28,400,000
	159,987,208
Add: Bank overdraft	1,443,412
Accounts payable	5,935,145
Total	167,365,765

Contingent liabilities of the province as at April 30, 1937, amounted to $37.3 millions, exclusive of 1937 grain guarantees which will be in excess of $6.5 millions. Included in contingent liabilities is $27.4 millions of railway guarantees which it is not likely the province will ever be called upon to assume since these lines are now operated by the Canadian National Railways. Taking this into consideration the contingent liabilities amount to about $10 millions plus 1937 seed grain guarantees.

Net Debt Position

If the recommendation for cancellation of the relief debt to the Dominion of $42 millions is accepted, the net debt of the province after deducting sinking funds would be reduced to $125 millions from the figure shown in the tabulation above. In addition, there is a further $30.5 millions of debt incurred on behalf of the Saskatchewan Co-operative Wheat Producers, the telephone and power commissions which is entirely self supporting. Thus the net debt of the province would be reduced to about $95 millions. If the Manitoba proposal for capitalizing subsidies was also accepted then the amount of debt which would have to be serviced from taxation would be less than $20 millions since some of the advances of the province to the farm loan board and the co-operative creameries will be recovered.

In regard to subsidiary enterprise of the government it is pointed out that the telephone department and power commission are entirely self-supporting. Also, no loss is expected in connection with the indebtedness of $11.5 millions of the Saskatchewan Co-operative Wheat Producers since there is held security of approximately $15 millions of fixed assets, on a depreciated basis. This indebtedness to the government was incurred in connection with settlement of bank loans to the wheat pool which had been guaranteed by the government.

The outlook for the farm loan board and the Saskatchewan Co-operative Creameries, however, cannot be viewed with optimism. In addition to net advances of $16.4 millions for capital and administration purposes, the farm loan board owes the government $3 millions for interest. At present its balance sheet shows a deficit of $3 millions. The Co-operative Creameries owes the government about $3 millions. The company is at present in the hands of a receiver and it is expected that the ultimate loss will be substantial.

Relief Burdens

Deficits of the government on relief account are shown at $61.3 millions and on revenue account at $9.7 millions. Other deferred charges bring the total to $78.2 millions.

From Sept. 1, 1929, to April 30, 1937, expenditures on relief in Saskatchewan totalled over $110 millions. Of this amount, the federal government contributed $35.7 millions and municipalities $4.3 millions, leaving the province's share at $70 millions. As a result of the cancellation and write-down of provincial treasury bills held by the Dominion, the amount will be reduced to $42 millions plus such portion of relief guarantees as the future may determine. The government is asking in its proposals to the commission that this $42 millions also be cancelled.

In connection with economies made by the government, reports of the Jacoby Taxation Commission and the Bank of Canada are quoted. Both these reports stated that substantial economies had been made and that in many cases retrenchment had gone too far to permit the Government to perform its function satisfactorily. It is frankly admitted that there are many imperfections in the taxing method used and that available data are rather incomplete. However, expressed as a percentage of net production, the tax burden in Saskatchewan in 1933 and 1934 was the heaviest in Canada.

Municipal Position

In municipalities it is pointed out that the increased demand for social services has created an enormous burden on property. As a result taxation in towns and cities has reached a point where it is confiscatory.

Generally speaking rural municipalities are in a sound financial position and would have little difficulty if the entire cost of relief was assumed by the Dominion. Furthermore, the total debenture debt of rural municipalities in the province is only slightly more than $100,000, most undertakings having been financed out of revenue. Total municipal debt of the province at the end of 1935 was $45.5 millions. Debenture interest and principal past due at the end of 1935 amounted to $105,568 in the case of rural municipalities, $93,785 in the case of villages, $520,703 in case of towns, $147,093 in the case of cities; $2.7 millions in the case of school districts and $2.6 millions in the case of rural telephone companies.

The Association of Urban Municipalities in its brief claims that the credit of the municipalities has been completely destroyed and that even if the entire cost of relief is assumed by the Dominion the municipalities will still have insufficient revenues. In this connection it is pointed out that people have poured into the city from the drought areas and that hospitalization, medical and dental care have to be provided. It is suggested that all social services be assumed by the Dominion and that the debt of municipalities be refunded on a 3% basis.

During the course of the discussion on municipalities it was brought out that cities have financed relief expenditures in recent years through the sale of their own bonds to sinking fund. Thus, bondholders have really been financing a portion of relief costs.

Real Estate Burden

Chief Justice Rowell commented that "the burden of real estate is very heavy all over Canada and if there is any way of lightening the burden, it should be done."

He found it an impossible proposition, however, that levying of taxes on real estate should be restricted to financing of services "required by land, improvements and the occupancy thereof." He thought that a municipality could not do less than consider the needs of every citizen whether a taxpayer or not.

The urban municipalities also asked that they should be given the sole right to tax property within their borders. In Saskatchewan, the provincial government levies a revenue tax on land. The provincial government admits that it would be advisable to do away with this tax as soon as its financial position permits.

As regards the request that municipalities be allowed to tax railway and crown property within their borders, the justice of the demand as far as crown property is concerned is admitted. Railway property, however, is governed by various agreements and acts dating back to days before some of the municipalities were incorporated.

DIVIDEND NOTICES

The Bank of Nova Scotia

Notice is hereby given that the Annual General Meeting of the Shareholders of this Bank will be held in the Banking House, Hollis and Prince Streets, Halifax, on Wednesday, the 26th January next, at eleven o'clock, a.m., for the purpose of receiving a statement of the affairs of the Bank, for the election of Directors and for other business.

By order of the Board.

H. F. PATTERSON,
General Manager.

Halifax, N.S., December 10th, 1937.

Investment Foundation Limited

PREFERRED DIVIDEND No. 35

NOTICE is hereby given that a Dividend of 53 Cents per share (being at the rate of 4% per annum) and a further Dividend of 50 Cents per share on Account of Arrears of Preferred Dividend accrued, have been declared on the Cumulative Convertible Preferred Stock of this Company for the quarter ending Dec. 31st, 1937, payable Jan. 15th, 1938, to shareholders of record Dec. 31st, 1937.

By Order of the Board,

T. F. WILLING,
Secretary-Treasurer.

BRITISH AMERICAN OIL COMPANY LIMITED

NOTICE is hereby given that a dividend of Twenty-five Cents (25c) per share has been declared on the issued No Par Value capital stock of the Company for the fourth quarter ending December 31st, 1937. The above dividend is payable in Canadian funds, January 3rd, 1938, to shareholders of record at the close of business on the 17th day of December, 1937.

Share Warrant Holders will present coupons, Serial No. 31, to any branch in Canada of The Royal Bank of Canada, who will negotiate them at par, on or after January 3rd, 1938.

By order of the Board.

H. H. BRONSDON,
Secretary.

Dated at Toronto, December 13th, 1937.

The Sherwin-Williams Company of Canada, Limited

Notice is hereby given that the Ninety-ninth Quarterly Dividend of One and Three-quarters per cent (1¾%), being at the rate of Seven per cent (7%) per annum for the Quarter ending February 28, 1938, on the Preferred Stock of the Company, has been declared payable to Shareholders of record the 15th day of December, 1937, and that cheques will be mailed January 3, 1938.

Books not closed.

By Order of the Board,

F. W. HOLLINGWORTH,
Secretary-Treasurer.

Montreal, Que.
November 23, 1937.

BRALORNE MINES LIMITED

(Non-Personal Liability)

NOTICE is hereby given that a Quarterly Dividend of 10 cents per share and an Extra Dividend of 10 cents per share have been declared on the paid-up capital stock of the company, payable on the 15th day of January, 1938, to shareholders of record as of December 31st, 1937.

By order of the Board,

RONALD GRACE,
Secretary-Treasurer.

Vancouver, B.C.,
November 30th, 1937.

DIVIDEND NOTICES

NATIONAL GROCERS COMPANY LIMITED

NOTICE OF SPECIAL GENERAL MEETING OF SHAREHOLDERS

IN THE MATTER OF a Compromise or arrangement between National Grocers Company Limited and the holders of its Preference and Common shares under Section 64a of The Companies Act (Ontario), R.S.O. 1927, Chapter 218, and amendments.

NOTICE IS HEREBY GIVEN that pursuant to an Order of The Hon. Mr. Justice McFarland of the Supreme Court of Ontario, dated the 2nd day of December, 1937, a Special General Meeting of the holders of the Preference and Common shares of National Grocers Company Limited, will be held on Tuesday, the 4th day of January, 1938, at The Royal York Hotel, Front and York Streets, Toronto, Ontario, at 2.30 o'clock in the afternoon, to consider and, if thought fit, to agree to (with or without alteration or modification):—(a) a Compromise or Arrangement dated the 1st day of December, 1937, proposed between the Company and the holders of its Preference and Common shares and (b) By-law No. 35 passed by the Directors relating thereto.

The purpose of the proposed Compromise or Arrangement is to extinguish and, in effect, to fund the arrears of dividends accrued on the Preference shares prior to the 1st of October, 1937, amounting to $26.25 per share by paying to the holders of the Preference shares $4.00 cash per share and giving them the right to subscribe for three shares of Common stock at $1.00 per share for each Preference share held.

Pursuant to the Company's By-laws, the Transfer Books will be closed for seven days prior to the date of the Meeting, and only persons recorded on the books of the Company as shareholders shall be entitled to vote at the Meeting. Any shareholder may be represented at the Meeting by any other shareholder as his proxy. All instruments appointing proxies should be deposited with the Company at least twenty-four hours prior to the Meeting and as long before as possible so that they may be checked and tabulated.

Copies of the Notice calling the Meeting, of the said Compromise or Arrangement and By-law, forms of proxy and any further information, may be obtained on application to the undersigned.

By Order,

T. H. KINNEAR,
Secretary.

21 Front St. E.
Toronto, Canada.

The Royal Bank of Canada

ANNUAL MEETING

THE Annual General Meeting of the Shareholders of the Bank will be held at the Head Office, 360 St. James Street West, in the City of Montreal, on Thursday, the 13th day of January, 1938, at 11 o'clock a.m.

S. G. DOBSON,
General Manager

Montreal, December 1, 1937.

The Dominion Bank

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, the twenty-sixth day of January, 1938, at the hour of 2.30 o'clock in the afternoon.

By Order of the Board.

ROBERT RAE,
General Manager.

Toronto, 9th December, 1937.

Saskatchewan Presents Case for New Deal

(Continued from page 13)

concerned to refute the more doubtful allegation that the imposition of a protective tariff may, under certain conditions, and in the long run, be in harmony with broadly conceived national interest. Rather, in this submission, we are concerned to show that in times of prosperity and in times of depression alike, the deadweight burden of the tariff bears more heavily upon Saskatchewan than upon any other province of the Dominion. The nature of our economy, characterized as it is by intensive specialization in the production of an export staple and by the absence of secondary industries, makes this inevitable."

As regards the tariff arguments, Chief Justice Rowell has made the position of the commission very clear. He stated at the Winnipeg proceedings and again here that the commission has no power to pass judgment on Federal tariff policies and for this reason it is not likely that the Saskatchewan proposal that the customs tariff be completely removed from all instruments of production and be drastically reduced on all necessities of life will receive any consideration from the commission. As far as the tariff creates a disability on the West, it may get some consideration, but present indications are that arguments in regard to the tariff will be of minor importance.

West Not Pleased

Needless to say, the West is not pleased with this attitude and one Saskatchewan official suggested that the tariff is a tax and as a result comes within the terms of reference of the commission. It is probable that even less consideration will be given to the arguments that Canada should have depreciated its currency by 1931 in order to enable the western farmer to compete in world markets with Australia and Argentina.

Perhaps the most effective answer to the arguments in regard to the tariff was brought out by Commission Counsel L. St. Laurent during his cross-examination of Dr. H. C. Grant in Winnipeg when he pointed out that three Federal elections had been fought on the tariff question and on each occasion the West voted for the tariff and on two of these occasions the prime minister was returned from a western riding.

Another disability from which Saskatchewan claims it suffers is high transportation costs although it is recognized that this arises from its geographical condition. It is further charged that it suffers under constitutional handicaps in the matter of railway taxation because of charter exemptions granted to the Canadian Pacific.

In order to correct this situation the Government recommends that the province should be given the right to increase railway taxation and at the same time requests that the provision of transportation facilities be considered from a national point of view and that the freight rates of the railways be examined with a view to giving some relief to the exporters of primary products from western Canada. The attitude of the commission on the matter of freight rates is the same as in regards to the tariff and for this reason this recommendation will not be considered.

See Favor for Maritimes

While admitting that freight rates on grain are favorable to the producer, the brief claims that general rates in western Canada are higher than in eastern Canada and that present rates favor Winnipeg as a distributing centre. The central provinces by virtue of their favorable geographical position, competitive means of transportation, concentration of industry and other causes occupy the most favorable position as regards freight rates. Furthermore, it is argued that the Maritimes have contributed nothing to the support of trans-continental lines and have in fact received advantages in the matter of freight rates which amount to a straight subsidy of many millions of dollars. It is further claimed that the West has paid the bulk of the freight rates in Canada and provided a large part of the net earnings of the railways.

In the view of Saskatchewan careful consideration should be given to the proposal that all articles manufactured in Canada under a protective tariff should be sold at a uniform price throughout Canada. This would mean those persons living in the area in which an article is manufactured would pay a higher price than at present and freight rates to other parts of Canada would be absorbed by the manufacturer.

Saskatchewan couches the recommendation that its funded debt should be refunded at a lower rate of interest in rather milder terms than did the Manitoba Government. While stating that it feels that careful consideration should be given to refunding and consolidating the debt of the province, the Government states that it is not in favor of a compulsory refunding which involves repudiation, but would be prepared to support a proposal which would give the holder of any bond of the province the right to elect whether he would take a new bond for an extended term at a lower rate of interest, or in lieu thereof accept the payment of the face amount in cash. As to repudiation, it is stated that a Government which would not attempt to keep faith with its creditors cannot be trusted to keep faith with its people.

It is recognized that any refunding scheme will necessitate definite sinking fund provisions to retire the new bonds at maturity. The proposal also involves assistance from the Dominion Government to procure the funds necessary to retire the bonds which are cashed.

DIVIDEND NOTICES

GENERAL STEEL WARES, LIMITED

To the Preferred Shareholders of GENERAL STEEL WARES, LIMITED

NOTICE IS HEREBY GIVEN that the Compromise or Arrangement dated the 20th day of September, 1937, proposed by the Company to its shareholders and to be considered or modified at the Special General Meeting of Shareholders held on November 24th, 1937, and was agreed to at said meeting as so modified or altered. The Compromise or Arrangement as so altered or modified has been duly sanctioned by the Court and confirmed by Supplementary Letters Patent.

NOTICE IS HEREBY FURTHER GIVEN that, in accordance with the provisions of the Compromise or Arrangement, subscription warrants will be issued and mailed, within thirty days next following January 1st, 1938, to the registered holders of Preferred shares of the Company at the close of business on January 1st, 1938, at their respective addresses appearing on the records of the Company, granting to such registered holders of Preferred shares rights to subscribe on or before but not after March 31st, 1938, for Common shares without nominal or par value of capital stock of the Company at the price of $1.60 per share, payable at the time of subscription, on the basis of two and one-half Common shares for each Preferred share registered in their respective names at the close of business on January 1st, 1938.

By Order of the Board,

F. S. BROPHY,
Secretary.

Montreal, December 15, 1937.

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Attempts to define a mass market by means of income tax returns prove very little. Less than 200,000 persons in Canada paid income tax in 1936, according to official government figures. As the average family's exemption in Canada is approximately $3,000, tax-exempt families also include many "Important People" who are acknowledged leaders in their communities.

Maclean's circulation of more than 265,000 net paid A.B.C. overflows the income tax-paying group. Thousands of both groups are valued subscribers of ours and good buyers of all kinds of nationally-advertised products.

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Maclean's gets a lot of reading from a lot of important people

Construction

May Extend Housing Plan For Canada

Ottawa Is Considering Change in Act to Aid Low-income Groups

PURVIS REPORT

From Our Own Correspondent

OTTAWA.—With final details still to be drafted it is understood the Federal Government is planning amendments to the Dominion Housing Act to permit assistance to housing projects for low-income groups—by far the largest field still demanding to be served.

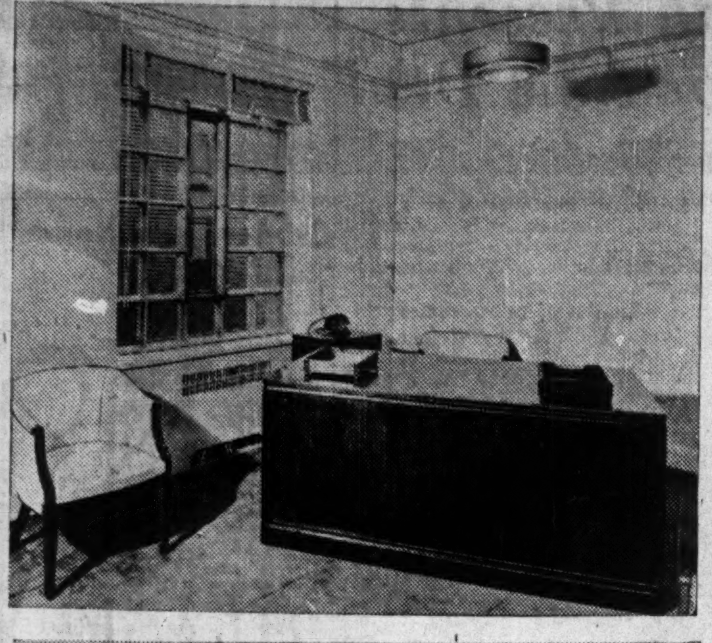
It is planned to launch an architectural competition shortly to secure plans for a house to cost not more than $2,500 and fully capable of withstanding the rigors of the Canadian winter. In addition, it is expected that a scheme of assistance will be devised to promote erection of low-priced, small family flats.

The details of the plan are expected to be embodied in the final report of the National Employment Commission, which is now being drafted under the supervision of Chairman Arthur B. Purvis.

Existing Schemes

It is estimated that indirect expenditure and employment in related industries, arising out of the construction expenditures indicated by housing and home improvement loans, is approximately in the same ratio in Canada as on the 2-to-1 basis established by United States research. Thus it is believed that Housing Act and H.I.P. loan figures of $23 millions indicate a total outlay of at least $70 millions. This is without adding in the vast amount of house building and home improvement undertaken without the financing aid provided under these two statutes, but undoubtedly stimulated by them.

Encouraged by the success of these two schemes proponents of low-cost housing plans are urging the Government to extend existing plans. Its particular desire is to assist those whose incomes range from $15 to $20 per week.



—Photo courtesy, Eaton's-College Street.

MODERN OFFICE

Example of modern methods in office decoration and furnishing, stressing restful simplicity instead of the rich coloring and lavish ornamentation prevailing in so many older type offices, is seen in the corner of the office of R. L. Crombie, Toronto manager of Royal Trust Co., in new Royal Trust Building in Toronto, shown above.

Below—A section of the general offices.

Construction World

Home of the Month

The November selection under the Home-of-the-Month plan of the National Association of Real Estate Boards is of Colonial style in distinct contrast with the modernistic type picked in October. The new selection is of moderate size with three bedrooms and two bathrooms.

* * *

Contractors Protest

Dispute as to whether Trans-Canada Airways enjoys the status of a private firm or is to be regarded as an adjunct of the Canadian National Railways and the Government, has arisen out of the protest lodged by the Winnipeg Builders Exchange against award of the $168,000 contract for erection of hangars at Stevenson Field, Winnipeg. In submissions to Hon. C. D. Howe, Minister of Transport, the Exchange objects that the contract was awarded to an American firm without western contractors being given an opportunity to tender on the project. Right to tender should have been extended because the airways corporation is virtually a public body, it is contended. The contract for the hangars went to Austin & Co., Toronto, which the Exchange declares has its headquarters in Chicago.

* * *

High-class Residences

Construction of 40 high class residences at a total estimated outlay of between $500,000 and $800,000 is the announced objective of the Home Finance Corp., headed by Maj. Clifford Sifton and B. H. McCreath, which has launched development of a restricted subdivision adjoining the so-called "Millionaires' Valley" in exclusive Bayview, on the northeast border of Toronto. Designed partly to preserve the character of a district embracing a number of large estates the new subdivision lots will have minimum frontage of 100 feet and residences must cost at least $15,000 to $20,000. Three of the houses are already under construction.

* * *

Concrete Finish

Construction of the new Holy Blossom synagogue on the outskirts of Toronto is featured by use of reinforced concrete in a manner and to an extent comparatively rare in Canada. While concrete has been used as material for the framework and main structural shell of industrial, commercial and other types of large buildings, its use in place of brick or stone for the entire exterior finish and molding of architectural design has been limited. Through resort to special methods of mixing and pouring, the entire exterior finish and carrying out of architectural design will be done with concrete.

* * *

Canadian Architecture

Hope that a style of architecture distinctively Canadian will eventually be evolved is advanced in a recent bulletin of the Dominion Bureau of Statistics. Among the influences which the Bureau believes may produce such a national style are the Royal Architectural Institute of Canada, Canada's six schools of architecture (two in the West), and Canadian architects themselves, who numbered at the last census approximately 1,300. In existing architecture in Canada, the Bureau notes, influences perceptible are of British, French, Colonial, and Russian origin.

* * *

Solid Base

In construction of the demonstration house for the Winnipeg Housing Co. low-cost housing scheme, a system ordinarily used only in connection with large commercial structures was employed to give the house especially solid foundations. In adapting the method to residential purposes the Winnipeg builders carried excavation much deeper than usual and down to a level reaching clays of a stipulated moisture content and weight resisting qualities. Upon square panels, laid at this level were erected columns, on which basement walls rested as beams. Footings, columns and walls were trussed together with reinforcing steel. It is hoped to eliminate settling by resort to this method.

* * *

Decorative Design

The striking designs of the handsome new Canadian coins issued to commemorate Coronation year have been utilized as the motif of the decorative bronze panels above the doorway of the recently opened Imperial Bank building in Ottawa. The structure is of up-to-date design, with hollow glass blocks used to ensure adequate light and insulation and to permit the air-conditioning system to function at its best.

* * *

Play Rooms

Conversion into recreation rooms for both adults and children of hitherto "dead" or disorderly space in house basements has been considerably stimulated by operation of the Home Improvement Plan. According to a bulletin from H. I. P. headquarters in Ottawa, the elastic provisions of the Plan allow loans for such alterations and improvements, and many basement units previously filled with dusty piles of broken furniture have been developed into attractive play rooms.

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Breathing dry, dusty air impairs the efficiency of your office staff as well as yourself. No one can work their best if they continually breathe into their lungs dust, germs and pollen. Stuffy noses, parched throats or sniffling colds are apt to follow.
Make your office more efficient, more comfortable and more healthful with an Electrohome Portable Air Conditioner. It washes, humidifies and circulates the air in home or office.
No installation—just "plug" it in.

Attractive oak cabinet model, known as the "Master." Particularly suitable for offices and general commercial use. $59.50
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KITCHENER TORONTO MONTREAL WINNIPEG
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Prefabrication Field Defined

Seen by Architect as Solution of Housing Problem

The logical ultimate field for the prefabricated house is in provision of low cost housing at economic rents for those in minimum income groups, and such a development may furnish a solution of the slum clearance and rehousing problem, in the opinion of R. S. Morris, chairman of the Toronto chapter, Ontario Association of Architects.

Prefabrication now appears to be making progress after years of failure, but products are still relatively expensive, Mr. Morris reported in a recent analysis. He does not believe prefabricated houses will be generally adopted, because of the difficulty of adapting stock plans and factory products to individual requirements and to differing sites.

New Building Methods

The address dealt with the development of radically new building materials and methods, and their potential application in future in revolutionizing construction of both residential and commercial units.

"One of the most interesting of the new plastic materials from an architectural point of view is the synthetic resin group," he continued, "especially in its laminated form. Sheets of paper or fabric, saturated with resin in solution, are pressed together at appropriate temperature. They set in the form of a hard, tough, highly polished surface, resistant to effects of heat and moisture, and of great tensile strength. Silent gear wheels made of it outlast the metal wheels which they engage. Sheet in a great variety of colors are used for doors, walls, ceilings, floors, store fronts, table and counter tops.

Great Efficiency

"What may be the result of combination of steel or reinforced concrete buildings with insulation, plastic material and prefabrication? At present the material in common use (for exterior walls of higher buildings) are most inefficient as a protection from the weather. They let in heat, cold and moisture; they are subject to deterioration, are difficult to handle during winter weather, and put an unnecessary load on the structure.

Prefabricated Walls

"The walls of a modern building could be completely prefabricated of light metal alloy or plastic sheets backed with insulation. Such buildings would be completely soundproof and air-conditioned. Walls and ceilings would be covered with large prefabricated units of plastic material of accoustic or sound-control design. Their surface would be almost indestructible and easily cleaned. If change of decoration is desired they would receive a spray coat of cellulose paint. Cost of upkeep would reach the vanishing point.

Volume of H.I.P. Loans Shows Seasonal Drop

Reflecting the usual seasonal drop in construction activity, volume of Home Improvement Loans during the three-weeks period ended Dec. 10 showed a shrinkage of 36% in comparison with the preceding three weeks. Combined figures for the six-weeks period, since H.I.P. began its second year of operation on Nov. 1, totalled over $1 million and carried the cumulative total of loans since Nov. 1, 1936, to $12.1 millions. Loans during the period Nov. 1-20, 1937, totalled $710,000, and for the following three-weeks period, $455,000.

Spotlight on Labor

Peace in Industry

The latest protest by an American employer against the outlawing of employee representation plans, plant councils and similar labor relations methods, cast into outer darkness by the Wagner Act and the National Labor Relations Board, coincides with the known views of many Canadian industrialists. Commenting on his dispute with the Labor Relations Board as to the status and propriety of the Weirton Steel Co. employee representation plan, E. T. Weir declared this plan offered both labor and industry a sound basis of collective bargaining. He added:

"Amicable employer-employee relations will prevail only when organized labor and the Federal Government discard the false assumption that labor relations must be founded on a basis of conflict, and adopt the spirit and methods of peace."

There have been indications that some members of the Canadian Government believe that conflict or at best a definitely separate alignment is an inevitable basis of employer-labor relations if they are to be both workable and equitable to both sides. So far, at least, such a basis has not been made virtually compulsory, as in the United States.

* * *

Increase in Pay

Coming close on the heels of Christmas bonuses ranging from $17 to $50 for every employee, a basic wage increase of 25 cents a day will go into effect at establishments of Consolidated Mining and Smelting Co. on Jan. 1. The bonus amounted to $50 for each married man and $35 for each single man in employ of the company for a year or more, and awards half as large for those employed for periods between six months and a year. The company is famous for its employee-management co-operative councils, a system of employee representation initiated by S. G. Blaylock, vice-president and general manager.

PLUS PROTECTION

● Steel engraving contributes two important qualities to the printing of stocks, bonds, debentures and other monetary documents. The artistic skill of the engraver endows such documents with a distinctive and distinguished appearance that upholds prestige. And, of great importance, a steel-engraved "money symbol" is most difficult to counterfeit.

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NEW CALGARY BUILDING

Photo shows modern exterior of new James Richardson Building in Calgary, specially designed and equipped to house Calgary branch facilities of the firm for dealing in grain, stocks and bonds.

Grain Sets the Pace In Modern Building

James Richardson Offices in Calgary Attract Wide Interest

Modern in both structural design and functional equipment, the new James Richardson building in Calgary has attracted attention equally from construction men and architects as from those in the grain industry and the investment world.

The structure houses the Calgary offices of James Richardson & Sons Ltd., grain merchants and exporters; James Richardson & Sons, dealers in stocks and bonds; and the elevator-operating Richardson subsidiary, Pioneer Grain Co.

The simple exterior lines are carried out in Tyndal stone facing with a deep base of black Frontenac tile, with a narrow relieving line of black granite cutting across the ground floor window line. Expanses of glass block are placed over the glass-and-steel entrance doorway and the lower windows, while additional natural light for the impressive large boardroom and main offices is ensured by four sawtooth-type skylights. Plans for the building were drawn by Moody & Moore, Winnipeg architects.

Modern Equipment

The entrance foyer is featured by black marble baseline, marble panelling, lime oak woodwork, pale buff walls and mastic tile floor of blue and blue-black. The board room covers 1,600 square feet of the main office floor, and a modern quotation board covering the side wall is equipped with high-speed facilities for registering grain prices in Chicago, Winnipeg, Minneapolis, Kansas City and abroad, and stock quotations in New York, Montreal, Toronto, Vancouver and Calgary. Ticker equipment supplying the quotations and symbols for the Trans-lux "movie" ticker are concealed behind the board.

Also on the ground floor are the customers' room, statistical library, and the long counters to facilitate transaction of business. Modernistic steel furniture is largely used.

New Building

City of Montreal has awarded contract for trunk sewer, project to cost $921,000 including amounts for engineering, supervision and repaving.

Victoria Hospital Trust, London, Ont., is preparing plans for $400,000 addition to the hospital as a result of approval by voters of by-law for sharing of the cost between the municipality, the provincial government and private contributors.

Meagher Bros. Co., Montreal, have let general contract for construction of addition to its gin distillery.

Carling-Kuntz Breweries Ltd., subsidiary of Brewing Corp. of Canada, has awarded contract for construction of $65,000 addition to its Waterloo plant.

Canadian Silk Products, Sherbrooke, Que., has awarded contract for $50,000 addition to its mill.

W. J. Pulling & Co., Windsor, is preparing for conversion of the old Bell Telephone Co. office building into an apartment house, at estimated cost of $30,000.

Viceroy Manufacturing Co., Toronto, has obtained permit for erection of superstructure of office building at cost of $45,000.

Famous Players Canadian Corp., has awarded contract for erection of $65,000 theatre at Welland.

Hanson Theatre Corp., Toronto, is preparing plans for construction of $125,000 theatre at St. Catharines, Ont.

Dominion Textiles Plans Central Cotton Warehouse

From Our Own Correspondent

MONTREAL.—Dominion Textile Co. has given consideration to a plan for the establishment in Montreal of a central distribution point for its imports of raw cotton.

Adoption of this policy, which would be a major change in method of distributing cotton between the company's various mills, would permit of sizeable economies through elimination of sundry local freight charges, and generally increase efficiency.

Should the company go ahead with this plan, it will involve construction of a large warehouse or storage plant, at an estimated cost of around $250,000. A suitable site has already been acquired at Ville Lasalle, about two miles from the company's Mount Royal mill.

CHEMISTRY and the Grocery Trade

The purity of food products, their freedom from adulterants, the relative water and actual food contents, full measure — these and other data on what you buy and sell are among the many things a laboratory such as ours can tell you about your goods. You owe it to yourself and the public to know the quality of the goods you market.

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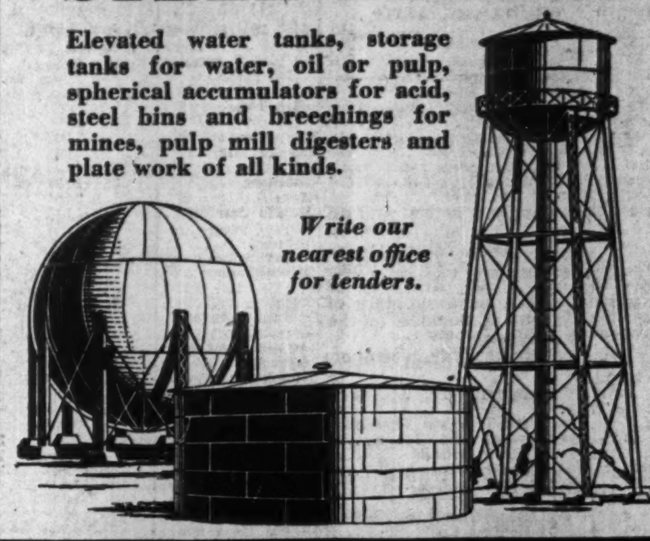

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Sherbrooke Street Realty Reports Moderate Gains

From Our Own Correspondent

MONTREAL.—Sherbrooke Street Realty Corp. will show an increase of about 5% in operating revenues for the current fiscal year, ending Dec. 31 next, according to an official statement, while operating expenses will be slightly lower.

Profits for the period will be affected by certain expenses in connection with the reorganization approved and put into effect this fall, whereby first mortgage bondholders agreed to a reduction in the interest rate to 3½% until April 30, 1942, and second mortgage income bonds and promissory notes are to be discharged and accrued interest thereon cancelled.

Trans-Canada is the Telephone System which makes it possible for you to talk to any part of the Dominion where telephone service exists.

NATION-WIDE, never failing service . . . and connections that are quick and crystal clear even though they span the continent—these are the advantages which the Trans-Canada Telephone System, with its coast-to-coast circuits, brings to you through your home or office telephone.

And Trans-Canada rates are lower than ever. Look at the adjoining rate table. Did you realize your voice could travel so far for so little?

Use Trans-Canada Telephone. Just ask for or dial "Long Distance".

RATES

The following are the daytime, station-to-station rates for telephone calls from Toronto to:

Halifax	$3.00
Saint John	2.30
Winnipeg	3.25
Brandon	3.50
Regina	4.25
Moose Jaw	4.25
Calgary	5.50
Edmonton	5.25
Vancouver	6.50
Victoria	6.50

THE TRANS-CANADA TELEPHONE SYSTEM

TRANS-CANADA TELEPHONE SYSTEM
THE BELL TELEPHONE COMPANY OF CANADA

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING DECEMBER 13

Range 1937 High	Low	Div Dec 11 R'te $	Y'ld %		Sales	Last Dec. 6	Week end. Dec. 13 H	L	Cl'se
				A					
15¼	1⅞	.	...	Abitibi	6821	2	2¼	1⅞	2
80	17½	.	...	Do. pref. 6%	3739	20½	20½	18½	18½
97	35	.	...	Do. pref. 7%	....	(35 Nov. 9)			
79½	17	.	...	Do. cert. dep.	....	(18 bid — asked)			
6⅞	2¼	30c	...	Acadia Sugar	....	(2¼ bid — asked)			
18½	9	50c	5.5	Acme Glove	....	(5 bid 7½ asked)			
94	75	6.50	7.7	Do. pref.	....	(— bid 75 asked)			
12	8½	60+30c	..	Agnew Surp.	45	10½	11	11	11
110	103⅞	7	6.7	Do. pref.	....	(103⅞ bid — asked)			
7	1½	.	...	Alta. Pac. Gr.	115	2¼	2¼	2¼	2¼
43½	9	.	...	Do. pref.	....	(10½ bid 15 asked)			
135	67	.	...	Aluminum	....	(65 bid 67 asked)			
130	118	6+27.75▲		Do. pref.	....	(122 Nov. 9)			
7	4	.	...	Amal. Electric	....	(— bid 5 asked)			
31	25	.	...	Do. pref.	....	(27 bid — asked)			
35⅞	22	60+$1	..	Amer. Cyn. B.	....	(22 Nov. 26)			
92	40	.	...	Asbestos	418	59½	60	58	58
16	8⅞	80+25c	..	Assoc. Brew.	525	12½	12½	12	12½
111	106	7	6.3	Do. pref.	....	(110 bid — asked)			
6½	6½	.	...	Assoc. T. & T.A.	....	(— bid 6½ asked)			
57	37⅞	2.94+84c		Do. pref.	40	41	45	45	45
102½	100	5.50	5.5	Ault & Wiborg pf.	100	100	100	100	100
				B					
60	55	2.25	3.9	Bank of Canada	69	58	59	57	59
161½	143	8	5.1	Bk. Can. Nat.	29	157	158	157	158
245	190	8	4	Bk. Montreal	168	197½	198	196½	198
340	286	12	4	Bk. N. Scotia	19	295	300	294	300
273	234	10	4.2	Bk. Toronto	64	236	245	236½	245
8	6	.	...	Barcelona	....	(4⅞ bid 7½ asked)			
15	5	96c	...	Barker's Bread	170	5	5½	5	5
48	36	2.50	6.9	Do. pref.	....	(— bid 45 asked)			
24⅞	9½	25c	...	Bathurst Pr.	1366	11½	11½	10½	10½
12½	3⅞	.	...	Do. (B)	115	4⅞	4⅞	4	4
5.75	1.25	.	...	Bawlf Grain	....	1.05 bid 1.30 asked			
38	16	.	...	Do. pref.	....	(8⅞ bid — asked)			
10	1⅞	.	...	Beath & Sons	....	(1½ bid 2 asked)			
21½	13	.	...	Beatty Bros. A.	....	(— bid 14½ asked)			

[illegible]

Mining Stock Quotations

WEEK ENDED DEC. 13

Par Val.	Range 1937 High	Low	Company	Sales	Close Dec. 6 (or last)	High for week	Low for week	Close Dec. 13
1	.10½	.02	Afton	3,000	.02½	.03	.03	.03
No	1.90	.30	Aldermac	54,950	.49½	.59	.48	.50
1	.04½	.01½	Alexandria	18,500	.02½	.02½	.02½	.02½
1	.31	.11	Amm. Gold	28,100	.20½	.20	.17	.19
No	8.75	3.40	Anglo-Huronian	1,961	3.50	3.60	3.45	3.50
1	1.42	.22	Argosy	7,715	.28	.30	.27	.27
1	1.15	.18	Arntfield	1,060	.25	.25	.25	.25
No	.09	.02½	Arno	......	(.02 bid	.02½ asked)		
1	.15	.05	Ashley	8,600	.06½	.06½	.06	.06
1	.27	.03	Astoria Rouyn	82,000	.03½	.05½	.03½	.04½
50c.	.16	.05½	Aztec	......	(.07 bid	.08½ asked)		
1	.49	.14½	Bagamac	7,300	.23½	.22½	.17	.17
1	1.85	.53	Bankfield	16,916	.65	.65	.60	.63
1	.65	.12	Base Metals	8,825	.16	.19½	.16	.19
No	1.75	.96	Beattie Gold	4,200	1.30	1.30	1.25	1.29
1	.65	.19	Beaufor	6,650	.22	.22	.21½	.22
1	1.70	.36	Bidgood Kirk.	159,270	.46	.45	.37	.39
1	.72	.30	Big Missouri	5,825	.37	.37½	.35	.36
1	.29	.08	Bobjo	5,850	.09½	.10½	.09	.10
1	1.14	.07	Bouscadillac G.M.	24,006	.10	.13	.10	.12
No	9.00	6.40	Bralorne	450	8.00	8.25	7.90	8.05
1	.15	.03	Brasil Gold	......	(.04 bid	.12 asked)		
1	.21	.03	Brett Trethewey	54,750	.10	.10½	.09½	.10
1	.13	.02½	Brownlee	75,514	.07½	.08½	.06½	.07
1	12.50	8.25	Buffalo Ankerite	1,203	12.37	12.50	12.00	12.00
No	.06½	.02	Buffalo Can.	22,200	.03	.03	.02½	.03
5	30.00	20.00	Bulolo Gold	560	25.75	26.00	25.00	25.00
No	.23	.10	Bunker Hill	12,100	.14½	.15	.13½	.14½
No	2.30	.85	Can. Malartic	6,750	1.03	1.05	.97	.98
1	.18	.06½	Capital Rouyn	38,500	.08½	.10½	.08½	.09½
1	1.75	1.30	Cariboo Gold	700	1.62	1.68	1.65	1.68
1	.47½	.09	Cartier Malartic	5,000	.09½	.10½	.09½	.09½
1	1.66	.46	Castle Trethewey	400	.65	.64½	.55	.55
1	.65	.22	Cen. Cadillac	29,400	.34	.38	.34	.35
1	5.25	1.85	Cen. Patricia	4,900	2.55	2.53	2.37	2.37
1	.43	.07½	Cen. Porcupine	45,500	.08½	.11½	.08	.09½
No	1.47	.38	Chromium	5,550	.48	.46	.44	.45
5	10.00	2.00	Coast Copper	2,170	2.50	3.30	2.70	2.75
1	.03½	.01	Cobalt Contact	......	(.01½ bid	.01½ asked)		
5	3.50	1.75	Coniagas	......	(1.87 bid	3.25 asked)		
No	2.14	1.00	Coniaurum	850	1.55	1.55	1.42	1.42
1	2.70	.19½	Con. Chibougamau	54,100	.23	.41	.21	.32
25	100.50	45.00	Cons. Smelters	6,682	56.25	58.00	54.00	56.00

[illegible]

OIL STOCKS

[illegible]

VANCOUVER STOCK EXCHANGE

[illegible]

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Public Utility Issues:	Int. Rate %	Due	Bid Dec. 14	Asked Dec. 14	Bid Dec. 7
†Assoc. Tel. & T.	5½	'55	72	75	72
Beauharnois P.	5½	'73	63½	66½	65
‡Bell Telephone	5	'57	118	121	118
B. C. Power	4½	'60	99	102	98½
B. C. Teleph.	4½	'61	105	108	104
‡Calgary Pwr.	5	'60	94½	97½	95½
†Can. Nor. Pwr.	5	'53	102½	103½	102½
‡Dom. Gas & El.	6½	'45	74½	77½	74½
‡Gatineau Pwr.	5	'56	102½	103½	102
†Do., A	6	'41	101	104	100½
‡Inter. Hydro-E.	6	'44	68½	71½	68½
†Macl'n-Que. Pr.	5½	'61	102	105	101
Mtl. L., H. & P.	3½	'56	100	103	100
†Mtl. Tramways	5	'41	99½	102½	99½
N. S. Lt. & Pr.	4	'57	97	100	97
†Ottawa V. Pwr.	5½	'70	105	108	104½
†Power Corp.	4½	'59	99½	102½	99½
Que. Pwr.	4	'62	94½	97½	94
Saguenay P., B	4½	'66	101½	104½	101½
Shaw. W. & Pr.	4	'61	98½	101½	98
Wpg. Elec., A	4	'65	56	59	58½
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	57	60	61½
B. A. Oil	4	'45	102½	...	102½
Brown & Co.	5½	'46	57	60	67
Canada Bread	6	'41	107	110	107
Canada Cement	4½	'51	102	105	102
Canada Paper	4½	'52	97	100	96½
Can. Steamship	5	'57	71½	74½	73
Can. Canners	4	'51	96½	99½	97
‡Can. Inter. Pap.	6	'49	94½	97½	95
C. P. R.	3½	'51	90	93	90½
Do.	4	'49	94	97	94
Do.	4½	'44	99	102	99
Do.	6	'42	105½	108½	105
Do., debs.	4 perp.		85½	88½	86
†Consol. Paper	5½	'61	42	45	45½
▲Dom. Stl. & Co.	6½	'55	98	101	98
Dom. Tar	4½	'51	99	102	99
†Donnacona P.	4½	'56	75	78	75
Famous Players	4½	'51	95	98	95
†Federal Grain	6	'49	82	85	81
†Fraser Cos.	6	'50	98	101	99
†Gen. Steel W.	4½	'52	93	96	93
Great Lakes P.	5	'55	91	94	91½
†Gypsum, Lime.	5½	'48	98	101	98
†Massey-Harris	5	'47	94½	97½	94
†McColl-Front.	6	'49	103	106	103
‡M. & O. Paper.	6	'45	31½	34½	36
Price Bros.	5	'57	96	99	97
‡Prov. Paper	5½	'47	101½	...	101½
†Restigouche C.	6	'48	97	100	97
Simpsons Ltd.	4½	'51	93	96	93
Smith, Howard	4½	'51	102	105	102
†Steel of Canada	6	'40	107½	110½	109
Union Gas	4½	'50	99	102	98½

‡Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
▲Payable in Can. or U. K.

Winnipeg Stocks

Transactions from Dec. 6 to Dec. 11

	Sales	High for period	Low for period	Close Dec. 11
Dackstone Cop.	400	.01½	.01½	.01½
Flin Flon	13,000	.04	.03½	.04
Gurney	1,200	.28	.27	.27
Gt. Falls M.	500	.02	.02	.02
Island Lake	7,000	.02	.01½	.02
Marvel Oils	2,000	.04	.04	.04
Ore Grande	2,100	.03	.02½	.02½
Sachigo River	43	14.00	12.00	14.00
United Grain	40	7.00	7.00	7.00
West. Steel, com.	160	12.00	11.00	11.25
Williamson M.	300	.05	.05	.05
Wingold	15	.02½	.02½	.02½
Winnipeg R. Tin	2,000	.01	.01	.01
Wylie Dom.	500	.23	.23	.23

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Insurance	...	100
Can. Indemnity	125	...
Can. Airways	...	6
Cres. Cream., pf.	...	30
Dom. Envelope, pref.	92	95
Federal Grain, pref.	...	22
Home Investment	...	22
Reliance Grain, pf.	...	72
Northern Can. Mtge., pf.	3	..
Northern Trust	...	8
West. Breweries	1⅝	...
West. Grain, pf.	5	...
Traders Bldg.	82½	...

*Stocks more active on other exchanges not included.

Municipal Bonds

December 14, 1937

	Rate	Due	Bid	Ask.	Yld.
†Halifax	5	1961	111.00	112.50	4.17
Hamilton	5	1950	112.00	114.00	3.60
Montreal	5	1945	103.00	105.00	4.19
Ottawa	4½	1945	107.65	109.65	3.05
†Quebec	5	1959	104.50	106.50	4.53
Saint John	5	1950	106.00	108.00	4.20
†Toronto	4½	1955	110.00	112.00	3.57
†Vancouver	5	1950	82.00	87.00	6.54
Winnipeg	5	1944	95.00	100.00	5.00

†Payable Can. and N. Y.

Investment Trusts

	Bid	Asked
Can. Amer. Trust	3.20	3.50
Can. Inv. Fund	3.55	3.90
All Can. Trustee	11.25	12.00
Trans Canada	11.40	12.15
Grouped Income	....	4.90
Can. Equity	....	11.25
Can. Int. Tr., modified	4.75	5.25
Do., unmodified	5.25	5.75

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Dec. 14, 1937

Industrial Stocks:	Bid	Asked
Acadia Sugar pfd.	4.35	4.80
Acme Farm. Dairy pfd.	28.00	32.00
Algoma Steel com.	7.25	8.00
Do., pfd.	46.50	49.00
Andian National	43.50	45.00
Assoc. Tel. & Tel. $6 pfd.	40.00	45.00
Barrymore Cloth pfd.	25.00	28.00
Brandram-Henderson com.	5.10	6.00
Do., pfd.	20.25	....
B. C. Pulp & Paper com.	15.50	20.00
Do., pfd.	78.00	83.00
B. C. Sugar	93.50	96.00
Brown & Co. pfd.	24.50	28.00
Burns "A"	7.25	8.50
Do., "B"	2.25	3.25
Can. Wire & Cable pfd.	107.00	109.50
Can. Airways	3.75	5.25
Can. Fairbanks-Morse com.	20.50	....
Can. Industries "A" com.	195.00	....
Can. Ingersoll Rand	105.00	111.00
Can. Tube & Steel com.	5.75	8.00
Do., 1st pfd.	82.50	90.00
Do., 2nd pfd.	16.00	20.50
Can. Westinghouse	50.50	52.50
Chase, A. W., pfd. bonus	27.25	....
Claude Neon pfd.	6.50	7.75
Conduits Nat. com.	3.65	4.20
Dom. Manufacturers com.	3.50	5.00
Dominion Oil Cloth	33.25	35.00
Dominion Woollens pfd.	.80	1.50
Dunlop Tire pfd.	86.50	....
Federal Grain com.	.95	1.90
Do., pfd.	16.00	18.00
Goderich Elevator	3.90	4.25
Guelph Carpet pfd.	103.50	105.00
Do., com.	23.50	....
Hayes Steel Prod. com.	5.75	6.75
Do., pfd.	5.75	7.00
Highland Dairy pfd.	74.00	78.50
Huether Brewing pfd.	2.00	....
Kingston Ship. Units	7.00	....
Legare Co. pfd.	6.00	8.00
Loblaw Inc. pfd. bonus	74.50	80.00
McCormick's com.	3.15	4.25
Do., pfd.	14.00	....
Morrison Brass pfd. bonus	7.75	9.50
Morrow Screw pfd. bonus	95.00	101.50
Mount Royal Hotel pfd.	2.25	3.00
New Meth. Laund. pfd. bonus	88.00	92.50
Paterson, Wm., pref.	100.50	....
Perfection Pete. pfd.	20.50	....
Provincial Paper pfd.	106.00	107.75
Reliance Grain pfd.	...	64.50
Rob. Cons. Cone	8.25	9.25
Ruddy, E. L. pfd.	29.25	32.50
Seal O Sac (Can.)	4.00	5.50
Standard Fuel com.	3.00	4.25
Do., pfd.	73.00	78.00
Supert. Pet. "B" pfd	27.00	28.50
Toronto Carpet Com.	47.00	52.00
Do., pfd.	54.00	59.50
United Farmers Co-op.	2.70	....
United Steel "A" pfd.	15.00	16.25
Viceroy Mfg. pfd. & rts.	17.00	19.00
Western Grain pfd. bonus	5.25	7.00
Weston (Geo.) Foods (Eng.)	2.50	3.00
Wings Limited	.80	1.00
Trusts and Loan Stocks:		
Chartered Trust	98.00	101.50
Commercial Finance com.	2.60	2.95
Guelph & Ontario Inv.	52.50	....
London & West. Trust	48.00	52.00
Premier Trust	...	....
Sherbrooke Trust	120.00	....
Sterling Trust	40.00	42.00
Traders Fin. "A" Com	13.25	15.00
Do., "B" pfd. bonus	83.00	88.00
Trusts & Guarantee	26.00	28.25
Insurance Stocks		
Canada Life	535.00	....
Canadian Ins. Shares	18.00	19.25
Confederation Life 20% pd.	110.50	114.50
Crown Life fully paid	192.00	....
Dominion Fire Ins.	135.50	....
Dom. of Can. Gen.	122.00	130.00
Empire Life 25% pd.	12.50	13.00
Federal Fire 25% pd.	40.50	....
Great West Life	306.00	315.00
Guar. of N. A. fully pd.	331.00	375.00
Imperial Life	315.00	335.00
Manufacturers Life	255.00	270.00
Monarch Life 10% pd.	23.00	25.00
Sovereign Life 25% pd.	14.00	16.00
Sun Life	430.00	450.00
Western Assce. pfd.	40.50	42.00
Do., com.	47.00	50.00
Theatre Stocks:		
Allens Kingston pfd.	63.00	....
Do., St. Catharines pfd.	62.00	....
Do., Tor. pfd. bonus com.	34.50	....
Mansfield Theatre pfd.	25.00	28.00
Paramount Kitchener pfd.	48.00	52.50
Do., Oshawa pfd.	87.50	93.00
United Amusement "A" V.T.	19.00	20.00
Do., "B"	19.00	20.00
Investment Trust Shares:		
Can. Investment Fund	3.55	3.90
Can. Investors	5.50	6.25
Cons. Div. Sec. pfd.	10.25	....
Corporate Investors	6.00	6.50
Lon. Can. Invest. pfd.	51.00	....
Sec's. Hold. pfd. bonus	17.00	19.25
United Corpns. "A"	21.00	22.50
Do., "B"	10.00	12.00
Power Issues:		
Can. West. Nat. Gas com.	24.50	26.00
Do., pfd.	85.00	87.00
Foreign Power Secs. pfd.	4.25	6.50
Great Lakes Power pfd.	98.50	....
Inter. Util. $1.75 pfd.	8.00	9.25
Do., $7 pfd.	91.00	95.00
New Brunswick Tel. com.	13.50	15.00

Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines
Dec. 14	17,100	88,800	338,000
Dec. 13	24,800	130,200	383,000
Dec. 11	10,800	112,500	274,000
Dec. 10	17,700	192,100	492,000
Dec. 9	22,100	87,300	551,000
Dec. 8	33,000	116,000	720,000

Unlisted Mines

TORONTO
Dec. 14, 1937

	Bid	Asked		Bid	Asked		Bid	Asked
Albany R.	.54	.56	Gilbec	.01½	.02½	Mosher	.11½	.13
Algold	.33	.35	Goldside	.02½	.03½	Norlake	.06	.07
Armistice	.10	.11½	Golden G.	.53	.55	North Sh.	.01	.01½
Algoma S.	.70	.73	Gord. Leb.	.04	.05	Oklend	.14½	.15½
Arno	.02	.03	Gull Kirk.	.02½	.03	Oliver Sy.	..	.10
Athona	.09½	.10½	Halliwell	.50	.51	O'Leary M.	.04	.05
Area	.03½	.04½	Halinor	5.90	6.25	Opem. Cp.	.07	.08
Augite	.23	.24	Heva Cad.	.04	.05	Oriole	.06½	.07
Bailor	.01	.01½	Hudson P.	.02½	.03½	Ossian	.01½	.02½
Barb. Lar.	.49	.50	Hislop	.03	.04	Pascalis	.30	.32
B.E.A.R.	.18	.20	Horseshoe	.01	.01½	Porc. Mc.	.02	.02½
Bilmac	.18	.20	Hutch. L.	.10½	.10½	Plains P.	2.60	2.90
Baldwin	.01½	.02½	Hugh PP.	.10	.13	Porc. Tri.	..	.06
Cent. Mn.	.04	.04½	Hudson B.	.15	.25	Pontiac R.	.12	.14
Cuipiau	.05½	.07	Kaw Crow	.03½	.04	Pelangio	.04½	.06½
Calder B.	.03	.04	Kenecho	.04	.06	Propr'y	1.35	1.40
Callinan	.02	.03	Kenland	.01½	.02½	Quebec M.	.59	.61
Can. Pan.	.07½	.08½	Kenricia	.21	.23	Rajah	.04½	.05
Can. Kirk.	.01½	.02	Kewaga'a	.12	.14	Raven Rv.	.49	.52
Candala's	..	.27	King Kir.	.01½	.02½	Ribago n.	.10	.12
Capital R.	.10	.10½	Kir. Vit.	.04½	.05½	Ronda	.17	.19
Chester'e	.95	1.05	Kirk. Gte.	.14½	.15	Rouyn R.	.03½	.04
Coin Lake	.06	.07	Kirk. Hun.	.02½	.03½	Rubec	.03	.03½
Condor (old)	.03½	.04½	Lacoma	.09	.09½	Sand. Rv.	..	.23
Cont. Kir.	.29	.31	Lafayette	.01½	.02	Shenango	.13	.14
Coocke L.	.08	.10	L. Geneva	.23	.26	Silver Vi.	.05½	.06½
Cres. Kir.	.02½	.03½	Lk. Rose	.08	.10	Siscoe E.	.17	.20
Denison N.	.32	.34	Lamaque	6.40	6.75	Smelter	.01½	.02½
Dezantis (new)	.20	.23	Lardego	.05½	.06½	Spooner	.05	.06
Devon	.26	.28	Magnet L.	.07	.08	Sturg. Rv.	.34	.37
Doreva	.04	.05	Magnet C.	.20	.23	Springer	.11	.13
Delosha P.	.12	.14	Malartic	.25½	.27	Tonawanda	.02½	.03½
Dunlop (new)	.04½	.05½	Maniw'i	1.32	1.38	Upper Cn.	.34	.36
El Bonan.	.07	.09	Mart. Mc.	.11	.13	Wascana	.06	.06½
Elec. Por.	.06	.07	Martin B.	.40	.42	Williamson	.04	.04½
Eva Lake	.05½	.06½	Mata. Cn.	.08	.09	Wesley	.08	.09
Elmos	.08	.10	Moffatt (new)	.07½	.08½	Westside	.04	.05
Fernland	.16	.19	McFar. L.	.06	.06½	White H.	.09	.11
Frontier	.06	.06½	McC'y W.	.18	.20	Winoga	.06½	.07½
Garnet	.01½	.02½	McV. Kir.	.02½	.03½	Yg. David.	.25	.27
Gate. Pat.	.02	.03	Monarch	.03	.04	Ypres Cd.	..	.13
			Mooshla	.07	.09	Woco	.15	.17

MONTREAL
Dec. 14, 1937

	Bid	Asked		Bid	Asked		Bid	Asked
Abbeyville	.15	.17	Franklin	..	.02	Porc. Lake	.18	.20
Amity	.01½	.02½	Golden Gate	.53	.57	Red Gold	.09	.11
Bousquet	..	.01½	Grace Larder	.09	.11	Richmac	..	.20
Brown Cadillac	.11½	.12½	Halliwell	.51	.54	Routhier	.14	.16
Central Dev.	..	.11	Heva Cadillac	..	.07	Schreiber	..	.05
Chibmac	.05½	.08½	Lacoma	.09	.09½	Scott Chib.	..	.10
Clerno	..	.15	Lake Rowan	.25	.27	Seguin	.02½	.03½
Cournor	.30	.34	L. L. Lagoon	..	.07	Shawmaque	..	.13
Dempsey Cad.	.03	.05	Leroy	.04½	.05	Skookum	.01½	.02½
Descar	..	.10	Margaret	.10	.12	Stadore	..	.25
Dorval Units	12.00	14.00	Obalski	.09½	.10½	Wawbano	.02	.03
Fontana	.17	.19	Pan. Cdn.	.20	.21	West Duv.	..	.10
						Westwood Cad.	.10	.11½

Government Bonds

Dominion of Canada Bonds

Dec. 15, 1937		Bid	Asked	Approx. Yld.
2	15 Oct. '38	100.40	100.90	.91
▪2	1 Jan. '39	100.50	101.00	1.07
1	1 June '39	99.00	99.50	1.34
2	15 Nov. '39	100.40	100.90	1.52
2½	15 Oct. '39	101.25	101.75	1.53
4	15 Oct. '39	103.90	104.40	1.55
1½	1 June '40	99.10	99.60	1.66
4½	1 Sept. '40	106.25	106.75	1.93
1	15 Mar. '41	96.90	97.40	1.83
5	15 Nov. '41	109.35	109.85	2.35
2	1 June '42	98.95	99.45	2.12
3	15 Oct. '42	103.10	103.60	2.21
2½	1 June '43	100.15	100.65	2.37
5	15 Oct. '43	111.35	111.85	2.78
▪2¼	15 Jan. '44	99.00	99.50	2.34
4½	15 Oct. '44	109.90	110.40	2.82
2½	15 Nov. '44	98.75	99.25	2.62
▪2½	15 Aug. '45	99.35	99.85	2.52
4	15 Oct. '45	106.25	106.75	▴2.74
4½	1 Feb. '46	110.25	110.75	3.00
3¼	1 June '49	100.50	101.00	▴3.11
3½	15 Oct. '49	101.85	102.35	▴3.11
3¼	15 Nov. '51	99.75	100.25	▴3.22
▪5	1 May '52	112.00	112.50	▴2.03
4	15 Oct. '52	106.10	106.60	▴3.22
3	1 June '55	97.00	97.50	3.19
4½	1 Nov. '56	109.50	110.00	▴3.21
4½	1 Nov. '57	109.50	110.00	▴3.32
4½	1 Nov. '58	110.00	110.50	▴3.35
4½	1 Nov. '59	110.40	110.90	▴3.39
▪4	1 Oct. '60	107.35	107.85	▴3.25
▪3¼	15 Jan. '61	99.50	100.00	3.25
3¼	1 June '66	98.75	99.25	3.29
▪3	15 Jan. '67	93.50	94.00	3.32
‡3	Perp. bonds	86.75	87.25	3.44

Dominion Guaranteed Bonds

Canadian National Railway:

		Bid	Asked	Yld.
2	1 May '38	100.00	100.50	.77
2	15 Feb. '43	97.75	98.25	2.35
3	1 May '44	101.00	102.00	2.66
3	15 Dec. '50	96.50	97.50	3.24
3	15 Feb. '53	95.50	96.50	3.29
*4½	1 Sept. '51	113.00	114.00	3.25
*4½	1 Feb. '56	113.75	114.75	3.42
†4½	1 July '57	113.00	114.00	3.52
*4¾	15 June '55	115.75	116.75	3.47
5	1 Feb. '54	116.75	117.75	3.57
*5	1 July '69	115.75	116.75	▴2.88
*5	1 Oct. '69	117.75	118.75	▴3.42
*5	1 Feb. '70	117.75	118.75	▴3.46

Provincial Government Bonds

		Bid	Asked	Yld.
New Brunswick:				
3½	15 June '56	93.50	95.00	3.87
†4½	15 Apr. '61	103.00	104.00	4.23
†5	15 Jan. '60	107.50	109.00	4.36
Nova Scotia:				
3	2 Jan. '52	93.00	94.50	3.49
3½	16 Aug. '46	99.00	100.00	3.50
†4½	15 Sept. '52	107.00	108.00	▴3.52
†5	1 Mar. '60	114.50	116.50	3.88
Ontario:				
2½	15 May '45	97.35	97.85	2.82
3	1 Dec. '51	95.50	96.50	3.31
3¼	15 Nov. '51	98.35	98.85	3.35
*4	1 June '62	106.50	107.50	3.54
4½	1 June '50	110.25	111.25	3.39
*4½	15 Jan. '62	113.00	115.00	3.57
5	15 Oct. '48	114.00	115.00	3.36
*5	2 Dec. '60	118.00	120.00	3.70
5½	1 July '46	115.75	116.75	3.25
Ont. Hydro. Comm.:				
3½	1 Apr. '47	101.25	102.25	3.22
4¾	1 Jan. '70	116.00	118.00	3.78
Prince Edward Island:				
3	1 Oct. '45	98.00	99.50	3.07
Quebec:				
3	1 Nov. '51	95.25	96.25	3.34
3¼	1 July '49	98.25	99.25	3.32
4	15 Mar. '52	104.50	106.00	3.47
4¼	1 Aug. '58	106.00	109.00	3.63
4½	2 Jan. '63	109.50	111.00	3.82
Alberta:				
4	15 Dec. '54	50.00	52.00	§
4½	1 Oct. '51	61.00	63.00	§
†4½	1 Oct. '56	51.00	53.00	§
*5	1 Oct. '59	55.00	57.00	§
†5½	1 Apr. '52	56.00	58.00	§
6	1 Mar. '47	61.00	63.50	§
British Columbia:				
†4	1 Dec. '57	89.00	91.00	4.70
*4½	15 Jan. '51	96.00	97.50	4.75
†4½	1 Oct. '53	94.50	95.50	4.91
†5	25 Apr. '54	99.50	100.25	4.98
5½	1 Feb. '45	101.00	102.25	5.11
6	15 Feb. '47	103.00	104.00	5.44
Manitoba:				
†4	1 Dec. '57	79.00	83.00	5.40
†4½	15 Dec. '56	81.00	84.00	5.91
*5	2 Dec. '59	86.00	90.00	5.81
5½	1 Oct. '55	86.00	88.50	6.60
6	1 Apr. '47	91.00	95.00	6.73
Saskatchewan:				
4	15 Aug. '53	62.00	64.00	8.04
4	1 Nov. '60	62.00	64.00	7.24
†4½	1 Oct. '51	73.50	75.50	7.33
†4½	15 Mar. '60	66.00	68.00	7.45
5	1 Aug. '58	69.50	72.00	7.71
5½	1 Oct. '52	73.50	75.50	8.40
6	15 Mar. '52	77.00	79.50	8.48

*Payable Can., N.Y. & £. ▴Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ▪Payable N.Y. ‡Callable on or after Sept. 15, 1966. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%. ‡Payable £.

Dividends Declared

	This payment	Date payable	Date of record
Acme Glove	12½c	Jan. 3	Dec. 18
Do., pref.	$1.62½	Jan. 3	Dec. 18
Anglo-Huronian	10c	Jan. 3	Dec. 15
Agnew-Surpass, pf.	$1.75	Jan. 3	Dec. 15
Amer. Cyan., A & B	15c	Dec. 21	Dec. 14
Assoc. Breweries	20c	Dec. 31	Dec. 15
Do., extra	25c	Dec. 22	Dec. 15
Do., pref.	$1.75	Jan. 1	Dec. 15
Assoc. Tel. & T., pf.	$1.47	Dec. 24	Dec. 17
Do., $6 pref.	$1.26	Dec. 24	Dec. 17
Bathurst Paper, A	25c	Dec. 20	Dec. 4
Beatty Bros., pf.	$3.50	Jan. 3	Dec. 15
Bell Telephone	$2	Jan. 15	Dec. 23
Brazilian Tr., pf.	$1.50	Jan. 3	Dec. 13
B. C. Power, A	50c	Jan. 15	Dec. 31
Burlington Steel	15c	Jan. 3	Dec. 15
Bk. of Canada	$1.13	Jan. 3	Nov. 30
Bk. of N. Scotia	$3	Jan. 3	Dec. 16
Belding Cort.	$1	Jan. 3	Dec. 15
Do., pref.	$1.75	Jan. 3	Dec. 15
Brazilian Tr., c.	50c	Jan. 25	Dec. 22
Bralorne Mines	10c	Jan. 15	Dec. 31
Do., extra	10c	Jan. 15	Dec. 31
Brant. Cordage, pf.	32½c	Jan. 15	Dec. 20
B. Amer. Oil	25c	Jan. 3	Dec. 17
Building Prod., A, B.	50c	Jan. 3	Dec. 17
Do., extra	50c	Jan. 3	Dec. 17
Burt, F. N.	30c	Jan. 3	Dec. 10
Burry Biscuit, pf.	75c	Jan. 3	Dec. 20
Can. L. & Pr.	50c	Jan. 15	Dec. 24
Cent. Can. Loan	$2	Jan. 3	Dec. 18
Cent. Pat. G. M.	4c	Jan. 3	Dec. 15
Comm. Alcohols, pf.	10c	Jan. 15	Jan. 1
Can. Breweries, pf.	50c	Jan. 15	Dec. 31
Cosmos Imp., pref.	$1.25	Jan. 15	Dec. 31
Candn. Car. pfd.	44c	Jan. 10	Dec. 27
Can. Cottons	$1	Jan. 3	Dec. 17
Do., pref.	$2	Jan. 3	Dec. 17
Candn. Oil, pref.	$2	Jan. 1	Dec. 20
Can. Gen. Elec.	$1.50	Jan. 1	Dec. 15
Carnation Co., pf.	1.25	Jan. 3	Dec. 18
Canada Life	$5	Jan. 3	Dec. 31
Consumers' Gas	$2.50	Jan. 3	Dec. 15
Canada Packers	75c	Jan. 3	Dec. 15
Can. Forgings, A	$1	Jan. 5	Dec. 22
Can. Celanese	40c	Dec. 31	Dec. 17
Do., pref.	$1.75	Dec. 31	Dec. 17
Do., inc. fd. rights	$1	Mar. 31	Dec. 31
Can. Fairbanks, pf.	$1.50	Jan. 15	Dec. 31
Can. Indust., A, B.	$2.75	Dec. 28	Dec. 15
Do., pref.	$1.75	Jan. 15	Dec. 31
Coniaurum Mines	5c	Dec. 30	Dec. 10
Canada Cement, pf.	$1.25	Dec. 20	Nov. 30
Can. Perm. Mtge.	$2	Jan. 3	Dec. 15
Can. Nor. Power	30c	Jan. 25	Dec. 31
Do., pref.	$1.75	Jan. 15	Dec. 31
Can. Canners, 1st pf.	25c	Jan. 2	Dec. 18
Do., 2nd pfd.	15c	Jan. 2	Dec. 15
Can. For. Invest.	40c	Jan. 1	Dec. 15
Can. Westinghouse.	50c	Jan. 1	Dec. 20
Can. South. Pr., pf.	$1.50	Jan. 15	Dec. 20
Can. Wire. Box, A	37½c	Jan. 2	Dec. 15
Cariboo Gold	2½c	Jan. 3	Dec. 8
Do., extra	1½c	Jan. 3	Dec. 8
Chartered Trust	$1	Jan. 3	Dec. 15
Cons. Smelters	50c	Dec. 31	Dec. 8
Do., extra	$1.50	Dec. 31	Dec. 8
Crow's Nest Coal	$1.50	Dec. 28	Dec. 11
Dominion Bank	$2.50	Jan. 3	Dec. 20
Dom. Textile	$1.25	Jan. 3	Dec. 15
Do., pref.	$1.75	Jan. 15	Dec. 31
Distillers Seag., c.	50c	Dec. 21	Dec. 6
Dominion Coal, pf.	38c	Jan. 3	Dec. 15
Dom. Glass	$1.25	Jan. 3	Dec. 15
Do., pref.	$1.75	Jan. 3	Dec. 15
East. Twp. Tel.	▴	Apr. 15'38	Dec. 31
East. Steel, pf.	$1.75	Jan. 1	Dec. 15
European Elec., A, B	30c	Dec. 20	Dec. 13
East. Theatres, c.	50c	Dec. 22	Dec. 15
Falconbridge N.	7½c	Dec. 30	Dec. 8
Ford Motor, A, B	25c	Dec. 18	Nov. 27
Fanny Farmer, c.	25c	Dec. 23	Dec. 15
Do., extra	50c	Dec. 23	Dec. 15
Greening Wire	15c	Jan. 3	Dec. 15
Gould Pumps, pf.	$1	Dec. 27	Dec. 17
Do., arrears	$5	Dec. 27	Dec. 17
Gt.-West Life	$5	Jan. 3	Dec. 20
Goodyear Tire, pf.	62½c	Jan. 3	Dec. 15
Do., com.	63c	Jan. 3	Dec. 15
Growers' Wine, B pf.	35c	Nov. 1	Oct. 25
Do., com.	50c	Dec. 15	Dec. 10
Ham. Cotton, pf.	‡50c	Jan. 1	Dec. 15
Ham. Un. Theat., pf.	$1.50	Dec. 31	Nov. 30
Hinde & Dauch	25c	Dec. 21	Dec. 10
Huron & Erie Mtge.	$1	Jan. 3	Dec. 15
Hollinger Cons.	5c	Dec. 31	Dec. 16
Do., extra	10c	Dec. 31	Dec. 16
Harding Carpets	10c	Jan. 3	Dec. 18
Imp. Tobacco, ord.	†10c	Dec. 31	Dec. 10
Inter. Mining	45c	Dec. 24	Dec. 17
Inter. Nickel, pf.	$1.75	Feb. 1	Jan. 3
Inter. Nickel, c.	50c	Dec. 31	Dec. 1
Do., extra	25c	Dec. 31	Dec. 1
Inter. Paints, pf.	$1	Dec. 21	Dec. 9
Int. Power, pf.	$1.50	Jan. 3	Dec. 15
Inter. Milling, pf.	$1.25	Jan. 15	Jan. 3
Inter. St. Rlty., A	28c	Jan. 1	Dec. 15
Intercol. Coal	$3	Jan. 3	Dec. 21
Do., extra	$2	Jan. 3	Dec. 21
Do., pref.	$4	Jan. 3	Dec. 21
Jam. Pub. Serv.	43¾c	Jan. 3	Dec. 15
Do., pref.	$1.75	Jan. 3	Dec. 15
Lang, John A., c.	17½c	Jan. 2	Dec. 15
Lava Cap M.	5c	Dec. 23	Dec. 6

Price Realty Bond Deal Attacked by A. P. Earle

History of Price Bros. Negotiations Provides Answer to Charges, Officials Claim — Early Difficulties Are Cited

From Our Own Correspondent

MONTREAL.—Arthur P. Earle, president of the Montreal Life Insurance Co. and formerly chairman of the bondholders' committee of Price Realty Co., in a letter to The Financial Post, protests certain features of the transaction whereby a majority of bondholders were induced to sell their bonds to a syndicate. He points out that over 60% of the bonds were turned over to a syndicate at 75. Later, when the reorganization was finally completed, the syndicate "paid themselves" 123.75 for their bonds.

Mr. Earle declares that officers of British insurance companies are "highly indignant" over the matter.

On the other hand, certain groups who have some knowledge of the events leading up to the purchase of the bonds by a syndicate and their ultimate redemption at 123.75, assert that there could have been no foreknowledge of the redemption of the bonds.

It is declared by spokesmen for these groups that the price paid to the bondholders was a generous one at the time and that it was only in the working out of the Price reorganization that the decision was arrived at to redeem the bonds, a decision which could not have been foreseen by the syndicate that bought the bonds at 75.

Bondholders' Statement

Mr. Earle's letter, in part, is as follows:

"I acted as chairman of the Bondholders' Committee of the Price Realty Co. Ltd. for a period of several years. The bonds of this company were sold on the argument that the bonds were technically guaranteed by Price Brothers Limited in that Price Brothers Limited had signed a lease of the entire building at a rental sufficient to service the bonds completely. Unfortunately, when Price Brothers Limited went into liquidation, the lease was automatically cancelled. The liquidator of Price Brothers Limited refused to pay more than $12,000 per annum (later increased to $14,000 per annum) for the space occupied by Price Brothers Limited in the Price Realty Building. This rental was a great deal lower per foot of space occupied than was being paid by many other tenants.

Early Negotiations

"The liquidator very kindly offered to turn over to the bondholders of Price Realty all of the common stock of Price Realty, but this offer was refused. The bondholders could also have taken measures to obtain possession of the property by the usual expensive procedure but such a step was never seriously considered. Without Price Brothers as a tenant the building could not stand up. The revenues of the building without Price Brothers would not have been sufficient to pay operating expenses and taxes.

"The members of the bondholders' committee felt that the bondholders of Price Realty had a very strong claim for justice, a much stronger claim, for example, than the preferred shareholders of Price Brothers Limited. As one after another scheme was promulgated for the reorganization or resuscitation of Price Brothers, we had negotiations with the interested parties on behalf of Price Realty.

"When the final scheme was put forward we were offered by the syndicate in exchange for Price Realty bonds an equal amount of Price Brothers class "B" non-convertible debentures. We refused this offer as we considered it absolutely unfair and unreasonable. Other creditors of Price Brothers Limited were to receive class "A" convertible debentures. We were told by persons representing the syndicate that we must make some sacrifice, that all other creditors were making concessions in order to resuscitate this fine old Canadian enterprise. After protracted negotiations, we were offered 75 cents on the dollar in cash, provided we gave to the syndicate an option on 60% of the outstanding bonds of Price Realty. We were informed that this was all we could ever expect to get for our bonds. On these representations, options were given for something over 60% of the bonds of Price Realty Company Limited to the Price Brothers Reorganization Syndicate.

Prices Paid for Bonds

"When the reorganization was finally completed, the syndicate which had secured the options on Price Realty bonds at 75 paid themselves 123.75 for such bonds. Those bondholders of Price Realty Limited who did not co-operate by giving options on their bonds and who were regarded as obstructionists received, of course, the price of 123.75 for their bonds. The bondholders who did co-operate under the plan of reorganization of Price Brothers got only 75 for their bonds instead of 123.75.

"The bondholders of Price Realty have probably no legal recourse.

"I had no personal interest, nor had the company with which I am associated, in the Price Realty situation. I represented on the bondholders' committee certain British insurance companies which had bought Price Realty bonds. The officers of these companies are highly indignant at the treatment accorded to them. I have a letter from one such officer who was instrumental in forming the Investment Protection Committee of the British Insurance Association. He is bringing before this association all the cirsumstances in connection with the Price Realty Co."

History of Issue

The chronological history of the Price Realty issue, as compiled by The Financial Post, throws some light upon the allegations made by Mr. Earle.

On April 24, 1931, W. C. Pitfield and Co., Montreal investment dealers, made a public offering of $750,000 of 5¼% first closed mortgage bonds of Price Realty Co. at 96½. The bonds were dated May 1, 1931, and matured in 1946.

Monument to Pride

Price Realty was formed by Price Bros. and Co. to own and operate "Price House," a 17-story building in Quebec City and built at a cost of $1,170,000. The building was an elaborate structure, even judged by predepression standards and, as is now generally admitted, built at far too great a cost and financially unable to stand by itself.

This was implied at the time by the fact that Price Bros. and Co. entered into a notarial lease with Price Realty for a period covering the life of the bonds and assigned to the trustee "under which the rental payable will, together with the other revenues of the company, amount in each and every year to the sum total of its annual operating expenses, insurance, taxes, and fixed charges including interest and sinking fund on these first mortgage bonds."

This notarial lease was drawn up to help make easier the sale of the bonds at a time when the financial markets were in a very depressed state.

Bound to Parent Company

From this time on the fortunes of Price Realty naturally were bound up with Price Bros. and Co. The former had a claim against the latter to fulfill the terms of the notarial lease, but as Price Bros. was bankrupt, Price Realty was automatically put in the position of being a creditor.

During the next three years various efforts were made to bring about a reorganization of Price Bros. and Co. Duke-Price Power Co. and its associated enterprises played an important part in these negotiations, as the power company held a long-term contract with Price Bros. and Co. which it was anxious to see re-established. Bowaters, of London, Eng., was interested, as also were Lord Beaverbrook, Lord Rothermere and others.

Pacona Plan Blocked

In the early part of 1936 Pacona Ltd. (formed by Aluminium Ltd., Lehman Bros.—a New York investment banking house—and Saguenay Power) put forward a plan whereby it would put up $20 millions to pay off the bondholders, with a substantial payment to non-secured creditors, but leaving nothing for the preferred and common.

Buy Mortgage Bonds

In April, 1936, Pacona acquired practically all of Price Bros. first mortgage bonds from the protective committee.

At this stage Pacona ranked as the largest unsecured creditor (represented by Saguenay Power) and held 97½% of Price Bros. first mortgage bonds. In this position it was impossible for any opposing group to carry out a reorganization without approval of Pacona.

In all the schemes brought forward for the reorganization of Price Bros. & Co. up to this time and later little or no consideration was given to Price Realty Co.

Held Whip Hand

The dominant position of Pacona in Price Bros. affairs made the outlook for holders of the junior equities rather doubtful. At first the Aluminum interests were primarily concerned with a reorganization of the company to re-establish the Saguenay Power contract. With the entry of Lehman Bros. into the picture, the situation changed, for the latter was primarily interested in acquiring control of the property.

At this point interests in opposition to Pacona considered the possibility of acquiring majority control of Price Realty bonds with the idea in mind of using them as a lever in order to get better terms out of Pacona or to block the latter's scheme.

With that in mind overtures were opened up with the Price Realty bondholders' protective committee.

ON MARINE BOARD

T. R. Enderby, general manager of Canada Steamship Lines, who has been elected a director of Marine Industries Ltd., a combination of various dredging and shipyard firms on the St. Lawrence and Great Lakes.

Later an option was secured to purchase at least 75% of the outstanding bonds. This option was good till August 31. Purchase of the bonds was to be made through the Crown Trust Co.

The offer of 75 at that time is admitted by all concerned to have been a fair one. The current market price was from 60 to 70 with few or no buyers.

Question of Ethics

It is admitted the price offered for Price Realty bonds on August 31, 1936, was fair in view of the current market quotation for the security. Mr. Earle's implication is that the group buying the bonds knew beforehand that they would get par and accrued interest in a few months time.

At the beginning of September, 1936, after the Price Realty bonds had been taken up, Pacona still dominated Price Bros.' picture. It was not possible for any opposition group to put through successfully a reorganization without Pacona's approval.

After its plan had been defeated earlier in the year, Pacona deferred further action, waiting for the opposition to put forward a proposal. By November, Pacona demanded a showdown and put forward a plan which was not received with favor by the junior equity holders.

The same month Royal Securities Corp. formed a new syndicate to carry out the reorganization of Price Bros. and Co. A plan was made public, but it did not please Pacona. Consequently at the end of December Pacona took steps to foreclose on the company and secured a court order putting up the mortgaged property for sale on February 3, 1938.

Big Sum Involved

The Royal Securities syndicate then made arrangements to underwrite sufficient new securities to provide sufficient capital to pay off the first mortgage bondholders—in this case Pacona. Nearly $16 millions was required for this purpose.

First mortgage bondholders were notified that the bonds would be redeemed at the call price, together with accrued interest, in Canadian funds. Pacona refused, demanding payment in gold as called for under the terms of the trust deed securing the bonds.

This created an awkward situation for the syndicate, but about this time the Federal Parliament passed a bill eliminating the gold clause in all private contracts. Consequently Pacona was forced to accept payment in Canadian funds—107½ plus accrued interest to date of redemption on January 19, 1938.

Until these bonds were retired and Pacona's stranglehold broken, there was no assurance that the group opposed to Pacona would be successful in bringing off a reorganization of Price Bros. and Co.

With the bonds out of the way steps were immediately taken to effect the reorganization under the terms of the syndicate plan.

When the new group came into control, one of the first matters to come to its attention was what to do with Price Realty. The terms of the notarial lease were of such character that the newly-reorganized company could not afford to carry them on. The "rent" called for by the notarial lease was extravagantly high. Further the company was faced with the problem of what to do with the claim of Price Realty Co. which was not provided for under the plan of reorganization. The new board of directors of Price Bros. & Co. decided to redeem the bonds, as the best way of clearing up the contingent liability and to that end the realty company's bonds were called and paid off on May 1 last. In this way complete ownership of the building reverted to the company which permitted a readjustment of rental values in keeping with the actual value of the property.

DIVIDENDS DECLARED (Continued)

	This payment	Date payable	Date of record
Little Long Lac	10c	Dec. 20	Dec. 6
Land. Bk. & Loan.	$1.25	Jan. 3	Dec. 15
Mtl. Refrig., pfd.	$1.25	Dec. 31	Dec. 15
Melchers Dist., pf.	30c	Dec. 31	Dec. 15
Mitchell, J. S., pf.	$1.75	Jan. 3	Dec. 16
Monarch Knit., pf.	$1.75	Jan. 3	Dec. 10
McColl-Front., pf.	$1.50	Jan. 15	Dec. 31
Moore Corp.	40c	Jan. 3	Dec. 10
Do., extra	40c	Jan. 3	Dec. 10
Do., pf., A & B	$1.75	Jan. 3	Dec. 10
Nat. Grocers, pf.	$1.75	Jan. 1	Dec. 15
National Trust	$2	Jan. 3	Dec. 21
Nat. Biscuit	40c	Dec. 15	Nov. 12
Nat. Breweries	50c	Jan. 3	Dec. 15
Do., pref.	43c	Jan. 3	Dec. 15
Noranda Mines	†$1.50	Dec. 23	Dec. 9
N. S. Light & Pr., c.	$1.25	Jan. 3	Dec. 15
Niag. Wire, c.	50c	Jan. 3	Dec. 15
North Star Oil, pf.	‡8¾c	Jan. 2	Dec. 15
Ont. Silknit, pf.	$1.75	Dec. 15	Dec. 5
Ottawa L. H.	$1.50	Jan. 1	Dec. 15
Do., pref.	$1.25	Jan. 1	Dec. 15
Ogilvie Flour, c.	$2	Jan. 3	Dec. 15
Do., extra	$2	Jan. 3	Dec. 15
Ottawa Car	$2	Jan. 3	Dec. 15
Ont. Loan & Deb.	$1.25	Jan. 3	Dec. 15
Pickle Crow	10c	Dec. 31	Dec. 15
Power Corp.	†30c	Dec. 21	Dec. 4
Do., pref.	$1.50	Jan. 15	Dec. 31
Do., 2nd pref.	75c	Jan. 15	Dec. 31
Pioneer Gold	10c	Jan. 3	Dec. 1
Pressed Metals	50c	Dec. 30	Dec. 22
Porto Rico Pr., pf.	$1.75	Jan. 3	Dec. 15
Premier Gold	3c	Jan. 15	Dec. 17
Page-Hersey	$1	Jan. 3	Dec. 15
Do., extra	25c	Jan. 3	Dec. 15
Reno Gold	3c	Jan. 3	Dec 10
Riverside Silk, A	50c	Jan. 3	Dec. 15
Real Est. Loan	$1	Jan. 3	Dec. 17
Remington Rand	25c	Jan. 3	Dec. 13
Russell Motor	$1.25	Dec. 31	Dec. 14
Do., extra	$1	Dec. 31	Dec. 14
Do., pref.	$1.75	Dec. 31	Dec. 14
Sheep Creek	3c	Jan. 15	Dec. 31
Stand. Fuel, pf.	$1.62½	Jan. 1	Dec. 15
Sun Life	$3.75	Jan. 1	Dec. 16
Super. Pete., ord. & c.	50c	Jan. 3	Dec. 17
Do., extra	25c	Jan. 3	Dec. 17
Do., B pref.	75c	Jan. 3	Dec. 17
Sher.-Williams, pf.	‡$1.75	Jan. 2	Dec. 15
Securities Hold., pf.	65c	Jan. 3	Dec. 22
Supersilk H., 1st pf.	$2.50	Jan. 1	Dec. 17
Smith, H., Pap., pf.	$1.50	Jan. 15	Dec. 31
South. Can. Pr., pf.	$1.50	Jan. 15	Dec. 20
Stand. Steel, A, pf.	75c	Jan. 1	Dec. 15
Do., arrears	75c	Jan. 1	Dec. 15
Sudbury Basin	10c	Jan. 3	Dec. 14
Sylvanite Gold	5c	Dec. 31	Nov. 25
Tamblyn	20c	Jan. 3	Dec. 15
Do., pref.	62½c	Jan. 3	Dec. 15
Thayers, pfd.	$3.50	Jan. 1	Dec. 20
Toronto Mortgage	$1.50	Jan. 3	Dec. 15
Tor. Gen. Trusts	$1	Jan. 2	Dec. 18
Teck-Hughes	10c	Jan. 3	Dec. 10
United Bond & Sh.	15c	Jan. 15	Dec. 31
United Secs.	50c	Jan. 15	Dec. 24
United Corp., A	‡$1.37½	Jan. 3	Dec. 15
United Distillers	5c	Dec. 20	Dec. 15
Ventures	25c	Jan. 4	Dec. 17
Viau. pfd.	$1.25	Jan. 3	Dec. 20
Vulcan Oils	5c	Dec. 20	Nov. 30
West Koot. Pr., pf.	$1.75	Dec. 31	Dec. 15
Weston, c.	20c	Jan. 3	Dec. 15
Westminster Pap.	25c	May 1/38	May 1
Wr.-Hargreaves	10c	Jan. 3	Nov. 24
Do., extra	5c	Jan. 3	Nov. 24
Do., interim	10c	Jan. 15	Dec. 1
West. Grocers	75c	Jan. 15	Dec. 20
Do., pref.	$1.75	Jan. 15	Dec. 20
Wabasso	25c	Jan. 3	Dec. 18
Do., extra	15c	Jan. 3	Dec. 18
Walkerville Brew.	2½c	Jan. 15	Jan. 5

‡On arrears.
†Interim.
▴18 cents declared quarterly; 36 cents payable Apr. and Oct. 15.

A. J. PATTISON JR. & CO. Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

Commodities

Some further weakness has developed in commodities with partial loss of recently regained ground. Monthly charts, however, show considerable flattening of the curve and the feeling is steadily gaining ground that the long decline has at last been halted.

Price Range

	Latest week	Previous week	Same week last yr.
Cattle	$8.00	$8.00	$6.35
Hogs	8.90	8.50	8.60
Copper, lb.	.11	.11	.10½
Cotton, lb.	.0817	.0801	.1298
Rubber, lb.	.1537	.1550	.1897
Sugar, raw, lb.	.0320	.0335	.0378
Silk, lb.	1.58	1.59	1.95
Wheat, Man. (bus.)	1.35⅝	1.36¼	1.21⅛
Coffee, lb.	.06¼	.06¼	.09
Hides	.10½	.10	.13½
Weekly Indices			
Canada (D.B.S.)	82.5	82.6	77.4
U. S. Labor	82.0	82.9	82.6
N. Y. Annalist	85.9	86.8	88.0
Fishers'	84.3	84.6	86.6
N. Y. Journal of Comm.	80.0	80.5	84.9
Crumps (Brit.)	77.3	77.1	75.7

Monthly Indices

	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Nov.)	82.4	84.2	81.7
W'sale (Oct.)	85.7	85.0	77.1
U. S. (Sept.)	87.4	87.5	81.6
Gt. Brit. (Aug.)	111.4	111.5	95.2

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price. Toronto: Copper-electrolytic, New York: Silk — Japanese, 13-15 New York: Sugar — 96 degrees centrifugal c/f New York: Wheat—No. 1 Man. North, Ft.-W.-Pt. A. Basis: Hides—No. 1 packer light.

Week in Wheat

Sudden Price Increase Reflects Light Supply

Nervous Market Still Watching Argentine Situation—Waiting Threshing and Milling Returns—Little Wheat Available

From Our Own Correspondent

WINNIPEG.—A sharp reminder was given to the trade this week of the small quantities of contract grades available for export when December wheat advanced more than five cents a bushel. Sympathetic but much smaller advances occurred in the May and July futures. It did not take any great amount of buying to bring about the advance, for there was literally very little wheat for sale.

Buying appeared to be based on export business just concluded, and to represent the lifting of hedges held in eastern positions. There is very little speculative interest in the market at the moment, and even spreading transactions between Winnipeg and other markets are limited. The narrow market is consequently decidedly sensitive to variations in export demand, which appear to be mainly due to fluctuating judgments overseas as to the out-turn of the Argentine crop. The official estimate concerning the latter was awaited with interest, but not with the idea that it could be accepted as final. The trade will await further news of actual threshing returns in late districts, and reports of milling quality.

Argentine Estimates Vary

There is still wide discrepancy between different estimates of Argentine wheat production. The lowest so far published is 175 million bushels, and the highest recent estimate has been 205 millions. Should the lower figure prove correct Argentina would have available for Europe only about 30 million bushels, after allowing for home requirements, the needs of Brazil, some wheat unmerchantable because of poor quality, and a small addition to the year-end carryover.

The latter should be taken into account since this year's carryover is so small that the government was for a time alarmed about domestic requirements before the new harvest should be available. If the larger estimate should be correct, Argentina could spare 60 million bushels for Europe.

Such a difference would be a decidedly important market factor in the present tight position of world supply and demand. Overseas buyers, noting southern prospects in conjunction with Canada's small export surplus, are congratulating themselves that the fear of actual shortage of wheat is removed by the existence of good supplies in the United States.

* * *

Australia Sells Freely

New Australian crop is moving rapidly to market, and its sale is providing the principal bearish influence in Liverpool. Australian wheat, January shipment is quoted in Liverpool at about 45 cents a bushel under Canadian 1 Northern for December shipment, although there have been times in the past when it commanded a premium in the British market.

Australian wheat, soft and white, has a special market of its own in the British biscuit and pastry trade, for which it is considered the best available. Millers like to use some of it in their milling mix for whiteness, but normally want only limited quantities. When more of it is used, more Canadian hard wheat must be included to balance, and there is less chance of using Argentine wheat of intermediate gluten content.

China ordinarily absorbs a good deal of Australian wheat, but the war makes it doubtful whether any large quantities can be disposed of there this year. This year's Chinese crop, although estimated at 650 million bushels, was 25% smaller than last year's, and under peaceful conditions this might have meant a demand for considerable imports. As conditions are now, however, Australia must seek a market in Great Britain and Europe for the wheat that otherwise might have gone to China.

Although this year's wheat crop has been reasonably good, it is thought that financial returns will be considered disappointing by farmers, and will lead to contraction rather than expansion of acreage in the sub-marginal areas where grazing and wheat raising are alternative uses for land.

* * *

Garnet's Position

As the time draws near when trading in the October future will commence on the Winnipeg market, attention is being given to the basis on which Garnet wheat will be made deliverable on the contract. At present it is deliverable at a discount of eight cents a bushel under the future price the same as No. 3 Northern. Actually this year No. 1 Garnet has usually maintained a slight premium. Under present grading regulations No. 3 Northern grade is largely constituted of Garnet wheat because it is admitted to that grade and not to the two higher grades.

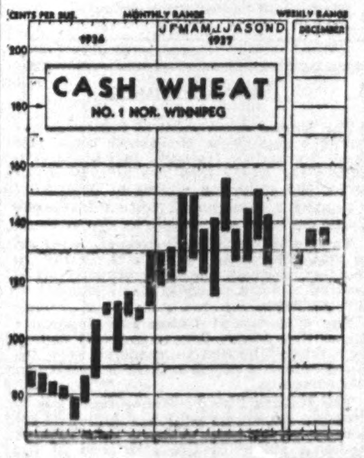
No. 3 Northern, however, is expected to reach a higher comparative price next year, when any admixture of Garnet, except a minimum percentage, will exclude wheat from that grade. The contract spread is likely to be widened out to from 10 to 12 cents a bushel. The general theory is that the futures price should be based on probable delivery of one of the three top grades, and that buyers should not expect to have delivered to them on the contract any other type of wheat.

Garnet wheat has come in for so many hard words of late that it is worth recalling that it contributed largely, by its early ripening, to extending the western wheat belt to the north. It was first grown extensively in 1926 and will continue to be grown in northern areas even at a discount until some safe new variety replaces it.

Robert Gair Dividend On Preferred Deferred

Payment of the current quarterly dividend on preference shares of Robert Gair Co. Inc. has been deferred. Payments at the rate of $3 per year have previously been paid regularly, the latest payment being made Sept 30, 1937.

Wheat Prices



(Cash Quotations)

	For Week Dec. 14 High	Low	Prev. Week High	Low
1 Man. Hard	1.37⅞	1.32½	1.37¼	1.32¼
1 Northern	1.37⅞	1.32½	1.37¼	1.32¼
2 Northern	1.33⅞	1.27⅝	1.31⅛	1.25¼
3 Northern	1.17¼	1.11½	1.14½	1.10¼
4 Northern	1.07¼	1.01½	1.02½	.98⅛
5 Wheat	.95⅞	.93⅛	.94⅛	.89¼
6 Wheat	.86⅞	.84½	.85½	.80¼
Feed Wheat	.77¼	.74½	.75⅛	.71⅛

Competitive Export Prices:

Dec. shipments:	Week to Dec. 14 High	Low
No. 2 North. (Atlan.)	1.61	1.58⅝
No. 3 North. (Atlan.)	1.41⅜	1.39⅞
Australian†	1.17⅛	1.14⅛
Australian, Jan.	1.16⅜	1.15⅝
Indian (new crop)	1.16⅝	1.14½
U. S. Hard Winters	1.29⅝	1.19⅞
Argentine (Rosafe)‡	1.26⅝	1.21⅛
Russian	1.09½	1.08
U. S. White Pac.	1.11	1.09½

‡Jan.-Feb. speculative offers.
†New crop, prompt shipment.

Winnipeg Grain Futures

Week to Dec. 14, 1937

Crop year from Aug. 1, 1937 High	Low		Open Dec. 8	High for week	Low for week	Close Dec. 14	Close year ago
		Wheat					
1.29½	1.04¼	Dec.	1.17½	1.25¼	1.17¼	1.23¼	1.20⅝
1.30¾	1.02¼	May	1.14⅛	1.17⅜	1.13¾	1.16⅞	1.21⅞
1.15⅝	.97⅝	July	1.10	1.15⅜	1.09⅜	1.11⅞	1.19⅛
		Oats					
.51⅜	.40¼	Dec.	.45¾	.47¼	.43¾	.46½	.32⅛
.51	.41¼	May	.45¼	.46⅜	.45	.45¼	.32
.44⅝	.40⅝	July	.43	.43⅞	.42¼	.43⅛	.30⅝
		Barley					
.65⅝	.52½	Dec.	.58	.59½	.58	.59	.80¾
.64½	.53¼	May	.58	.59½	.57⅞	.58⅝	.72⅜
.57½	.54⅞	July	...	.57½	.56	.56¼	.69¾
		Flax					
1.80¼	1.66	Dec.	1.69¾	1.69¾	1.66	1.67	1.73
1.82	1.68¼	May	1.72	1.72	1.68¼	1.70	1.75¼
		Rye					
.95	.67⅛	Dec.	.74½	.77⅛	.73	.75	.95⅛
.95⅝	.69¼	May	.76⅜	.79¼	.74⅞	.77⅛	.93¾
.78¾	.71¾	July	.75½	.78¾	.74	.76⅛	.93¾

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Life Insurance

Low Income Deplored Among Life Salesmen

Underwriters' Committee to Consider Problem—Men Leaving Field

Increasing difficulties of the life insurance agent to earn a fair income make it difficult to bring good men into the business, according to J. S. P. Armstrong in his presidential report to the Toronto Life Underwriters.

"If present trends continue, it would seem inevitable that not only will it be almost impossible to secure good new men, but good men now in the business will be attracted to other more remunerative fields. Our business has lost hundreds of excellent men who were a credit to the business but who could not survive with the low income."

This subject has now been submitted to the governing committee for joint consideration of the life companies and the agents' organization. Mr. Armstrong states:

"We sincerely hope that the companies will approach this problem with a keen desire to further the welfare of the underwriters in the best interests of the companies, the public and the underwriters themselves. Normally good producers are, in many instances, barely earning a living. There exists a disturbing unrest among the field force, which only a speedy co-operative action on the part of companies will allay."

Occidental Life Sales $16 Millions for November

Occidental Life Insurance Co., with head office at London, Ont., has established a new all-time record by writing more than $16,422,000 new life insurance during November. This was the largest single month's business ever reported since the company was founded in 1906 and represents a gain of $10 millions over November, 1936.

Occidental Life, which is celebrating its Golden Jubilee, has more than $393 millions of life insurance in force. During the first 11 months of 1937 it has made a gain of more than $100 millions.

Empire Life Business Hits Peak for 3 Months

All previous high production records have been exceeded by the Empire Life Insurance Co. during the past three months. Business for the 11 months ended Nov. 30 exceeded the same period of 1936 by 15.35%. The "paid for" insurance in the hands of the Company's policyholders is now at the highest point in the company's history.

Canada Life Business Shows 19% Increase

With November registering another gain over the same month of 1936, new paid-for ordinary and group business of the Canada Life Assurance Co. now stands at $62,182,771 for the first 11 months of 1937 an increase of 19% over the same period of 1936. November is the seventh successive gain over last year.

U.S. Companies Cut Loan Rates

New York Life Issues New Policy With 5% Loan Clause

Frequent attacks have been levelled at life insurance companies for the "high rates" at which they lend back to the policyholder his own money. During recent years when interest rates have moved down to about half former normal these attacks have been particularly severe and frequent.

To silence the critics, the New York Life Insurance Co., after the new year, will offer a new policy with a 5% loan interest provision in place of the old 6% and other companies are likely to follow suit.

While some Canadian companies might adopt the idea as a new business getter, insurance officers deplore the idea.

As pointed out in an article on this page a few weeks ago, insurance companies have several good reasons for making the policyholder think hard and suffer real need before mortgaging his policy.

Protecting Policyholder

Protecting the policyholder from his own folly, if such it be, concerns not only the insurance company, but also the beneficiaries. A high interest rate on loans helps.

For mutual and participating policyholders and probably for others, broadening the volume of policy loans is likely to increase the cost of insurance. In the first place, more loans are likely to cause a shift in investment policy toward lower returns because of the necessity for more liquid funds.

Another argument against lower interest on loans is the large overhead cost of administering small loans, the fact that a borrower does not have to repay the loan unless he desires and that the loan can be paid off in practically any amount.

Some insurance officers would like to have the loan privilege withdrawn altogether for the health of the business. On policies already taken out, of course, the rate of interest on loans is set forth in the contract so that any change in loan privileges or rates would apply only to new policies

Convention City

The city of Quebec has been selected for the 1938 convention of the National Association of Insurance Commissioners. This annual meeting, about the middle of June at the Chateau Frontenac, comes on the invitation of Leighton Foster, Hartley McNairn, Ontario insurance superintendent and Georges LaFrance, Quebec insurance superintendent. Defeated candidates for the convention were Chicago, Des Moines, Memphis, Salt Lake City and Washington.

NEW TORONTO HEAD

William J. Stoneham is appointed agency manager, Toronto, of The National Life Assurance Company of Canada. He has a wide experience in the life insurance business, having spent several years selling and supervising in Toronto and Detroit.

Group Insurance As Peacemaker

C.M.A. Head Sees Plans as Improving Employer-Employee Relations

Industrial schemes of group, accident and sickness insurance are one of the most effective means whereby employers may improve labor relations, F. C. Brown, president of the Canadian Manufacturers' Association, recently told the annual meeting of Insurance Institute of Vancouver.

"I think that there is a growing desire on the part of employees and employers to get together on problems that arise and deal with them in a spirit of goodwill and compromise. Both sides realize that in labor or industrial wars, as in wars between nations, all are losers," the speaker declared.

Employee insurance schemes, he said, bring employer and employee closer together making for greater security for both. "The time is approaching when few industries of importance will be without the safeguards given through insurance of some sort."

Retirement Plan Protects Employees Leaving Firm

Retirement plan for employees of the Northwestern Mutual Fire Association and its subsidiaries has just been announced available for employees who have completed at least one year and are less than 65 years of age.

The company contributes to the plan which is a departure from the usual type by "vesting" in the employees a portion of the contribution by the employer even though that employee may later leave the service of the company. The percentage of this contribution vested in the employee varies from 10% for those who have five years total service to 100% for those employees terminating their service after an unbroken period of employment of 14 years or more. Canadian employees, of course, share equally in the plan.

Fire and Casualty

Fire Loss Ratio Drops In 16 Classes of Risks

1936 Average of Insured Losses to Premiums in Canada, 36.25% — Mining Shows Improvement Dwelling Losses in Protected Municipalities Slightly Higher

Sixteen of the 27 classifications into which the federal department of insurance places fire insurance risks recorded lower ratios of losses to premiums paid in 1936 than in the previous year according to the annual survey just released.

Greatest improvement is shown in mining risks, canning factories, confectionery factories and pork packing plants.

Most serious development during 1936 was the upswing in boot and shoe factory and pulp and paper mill losses which in 1935 gave among the lowest ratios. For 1936 boot and shoe factory losses were up 40% to 52.9% and pulp and paper mill losses up 30% to 38.4%. For another year, breweries and malt houses were at the bottom of the list with a 2.11% loss ratio.

Dwelling Losses

About one third of all fire insurance written in the Dominion is on dwellings. In protected municipalities there was a slight increase in the loss ratio, up .07% to 36.25%. For the unprotected municipalities, there was considerable improvement down 8% to 46.54%. In 1935 the loss ratio on protected dwellings declined almost 10%.

Second largest classification is retail stores, where in 1936 the loss ratio dropped 4.4% to 32.41%. Other groups to show a better year were wholesale houses and warehouses, down 11%, flour and oatmeal mills, laundries, sawmills, machine shops and street car barns. Higher losses were taken in farm property, grain elevators, lumber yards, woodworking factories, woollen and knitting mills, and sprinklered risks maintaining the low level shown for the previous year.

Average loss ratio for the year was 36.25%, but the loss ratio for the five years, 1932 to 1936 inclusive, was 46.45%. Loss ratio for the five years, 1931 to 1935 inclusive, was 51.64%.

Five-year Trends

For the five-year period, 1932 to 1936, highest loss ratio is for sawmills and lumber yards, 103% and 102% respectively, followed by boot and shoe factories, unprotected dwellings, woollen and knitting mills, farm property, tanneries, mining risks, flour and oatmeal mills, woodworking factories, protected dwellings, retail stores, pulp and paper mills, wholesale stores and warehouses, machine shops, pork packing plants, confectionery factories, grain elevators, laundries, street car barns, canning factories and breweries and malt houses.

Table showing the 1936 experience in the various classifications by types of company and with comparative loss ratio figures on total business in each classification follows.

A—BY TYPE OF COMPANY

	Canadian Companies *Net Prems. Written $	†Loss Ratio %	British Companies *Net Prems. Written $	†Loss Ratio %	Foreign Companies *Net Prems. Written $	†Loss Ratio %
Dwellings—						
Protected municipalities	1,961,625	32.13	3,583,259	36.07	2,548,226	39.51
Unprotected municipalities	770,534	43.27	1,331,222	48.75	872,427	46.05
All other dwellings & farm props.	1,284,541	45.21	816,620	56.08	410,612	49.52
All other two- or three-year risks.	485,827	36.92	895,434	41.14	738,151	40.17
Mercanitle risks:						
Wholesale stores, warehouses, contents	145,037	30.33	377,211	20.68	516,259	33.51
Retail stores and contents	1,527,404	30.87	2,988,318	32.78	3,674,118	32.29
All other mercantile risks	134,605	18.57	369,963	9.56	250,184	18.82
Breweries and malt houses	10,286	1.72	36,618	1.69	41,975	2.56
Boot and shoe factories	3,970	61.54	12,390	74.76	13,051	29.43
Tanning factories	22,747	18.91	84,324	8.99	109,880	24.17
Confectionery & biscuit factories	6,212	7.12	15,565	37.64	12,856	40.70
Flour and oatmeal mills	39,072	24.00	72,130	29.16	70,098	33.04
Grain elevators	585,542	22.38	240,089	92.26	151,655	46.91
Laundries	19,757	25.33	49,413	12.57	39,777	26.77
Sawmills	30,740	39.21	123,193	13.91	176,890	34.28
Lumber yards	45,728	29.83	150,509	39.69	330,404	32.17
Machine shops and metal workers	68,126	27.38	159,604	25.22	240,089	30.10
Mining risks	71,592	25.05	444,439	38.94	360,964	39.31
Pork packing and curing houses	10,376	8.18	25,441	24.54	43,902	15.69
Pulp and paper mills	12,276	39.31	49,922	42.11	43,872	34.99
Street car barns	14,011	4.26	114,847	7.71	34,862	15.84
Tanneries	1,640	89.94	6,921	10.32	9,154	106.49
Woodworking factories	57,809	47.12	146,359	63.18	22,485	44.70
Woollen and knitting mills	5,956	37.54	15,337	75.71	15,402	57.39
All other manufacturing risks	294,999	39.67	670,928	43.12	762,742	38.36
All other one-year and short-term risks	1,197,612	25.77	2,323,284	27.75	2,359,290	33.25
Sprinklered risks	280,234	26.50	1,390,534	24.57	1,694,650	33.36
Totals, 1936	8,988,258	33.20	16,493,871	35.41	15,743,975	35.73
Totals, 1935	8,939,701	33.78	17,442,602	35.83	15,562,028	38.13

* Registered re-insurance deducted.
† Ratio of net losses incurred to net premiums written.

B—ALL COMPANIES

	Net Premiums Written* $	Net Losses Incurred $	Ratio Net Losses Incurred to Net Premiums Written: 1936 Loss Ratio %	1935 Loss Ratio %	Five Year Average %
Dwellings in protected municipalities	7,993,110	2,897,430	36.25	36.18	44.88
Unprotected municipalities	2,974,183	1,384,043	46.54	54.56	66.83
All other dwellings & farm property	2,511,773	1,242,129	49.45	48.85	66.46
All other two or three year risks	2,119,412	844,241	39.83	29.91	42.27
Mercantile risks:					
Wholesale stores, warehouses and contents	1,038,507	295,001	28.41	39.23	41.79
Retail stores and contents	8,189,840	2,637,601	32.21	36.69	44.85
All other mercantile risks	754,752	107,473	14.24	23.60	25.11
Breweries and malt houses	88,879	1,872	2.11	6.81	8.39
Boot and shoe factories	29,411	15,547	52.86	12.63	67.73
Tanning factories	216,951	38,445	17.72	37.37	22.42
Confectionery and biscuit factories	34,633	11,533	33.30	55.10	32.17
Flour and oatmeal mills	181,300	53,566	29.55	31.25	48.16
Grain elevators	977,286	423,663	43.35	25.03	31.00
Laundries	108,947	21,838	20.04	31.28	23.92
Sawmills	330,823	89,831	27.15	29.38	103.14
Lumber yards	526,641	179,663	34.11	32.59	102.46
Machine shops and metal workers	467,819	131,324	28.07	41.30	33.02
Mining risks	876,995	332,895	37.96	59.70	48.69
Pork packing and curing houses	79.719	13.979	17.54	49.12	33.00
Pulp and paper mills	106,070	41,202	38.84	9.11	43.83
Street car barns	163,720	14,972	9.14	31.14	22.96
Tanneries	17,715	11,855	66.92	172.12	59.86
Woodworking factories	426,650	219,144	51.36	44.71	45.22
Woollen and knitting mills	36,695	22,686	61.82	37.84	66.71
All other manufacturing risks	1,728,669	698,926	40.43	37.47	38.10
All other one year & short term risks	5,880,186	1,737,794	29.55	31.65	46.73
Sprinklered risks	3,365,418	981,172	29.15	22.07	28.86
Totals, 1936	41,226,104	14,449,827	35.05	36.25	46.45
Totals, 1935	41,944,331	15,204,815	40.91	51.64	....

*Registered re-insurance deducted.

New Licenses

The federal department of insurance announces that these companies have just been licensed to transact, in addition, to classes for which they are already registered, the following classes of insurance:

Indiana Lumbermen's Mutual Insurance Co.—Loss to an automobile by fire or theft.

The North West Fire Insurance Co.—Loss to property caused by vehicles, limited to the insurance of the same property as is insured under a policy of fire insurance of the company.

The Commercial Union Fire Insurance Co. of New York—Loss to property caused by vehicles, limited to property as is insured under a policy of fire insurance of the company.

The Halifax Fire Insurance Co.—Loss to property caused by vehicles, limited to insurance of the same property as is insured under a policy of fire insurance of the company.

Agricultural Insurance Co.—Loss to property caused by vehicles, limited to the insurance of the same property as is insured under a policy of fire insurance.

The Indemnity Marine Assurance Co. Ltd., fire, inland transportation and loss, real or personal.

General Reinsurance Corp., accident, excluding insurance against loss to personal property from accident other than fire, automobile, excluding insurance against loss to an automobile by fire or transportation, and burglary.

Maryland Insurance Co., falling aircraft, civil commotion and insurance against loss caused by vehicles, limited to the insurance of the same property as is insured under a policy of fire insurance of the company.

Appointments

American Reserve Insurance Co. announces that:

IRVING E. FANS, manager for Canada of the Mill Owners Mutual Insurance Company of Iowa, is new Canadian manager.

NOTICE

Notice is hereby given that the INSURANCE COMPANY OF NORTH AMERICA has received from the Department of Insurance Ottawa, Certificate of Registry No. -538 authorizing it to transact in Canada insurance against loss of or damage to an aircraft, in addition to the classes for which it is already registered.

H. C. MILLS,
Chief Agent in Canada.

Urges War Risks Be Compulsory

British Builder Suggests Government Pay Extra Premium Costs

The British Government should assume full responsibility for damage to property caused by acts of war, according to D. W. Smith, chairman of Yorkshire Country Building Association at the recent annual meeting.

He pointed out that building societies in Britain now have property mortgaged to them of a value more than $3,500 millions and that insurance companies have stopped writing land war risk insurance of any kind.

"I suggest that insurance of war risks be made universally compulsory to include buildings and contents, merchandise and shipping. Such a plan could be worked through existing insurance companies by adding a percentage to all existing premiums. Thus would be avoided the necessity of separate policies and the multitude of new officials who would be needed if a separate department of the Government were set up.

"Integral part of the plan would be that the Government would make an annual contribution not less than the total of extra premiums collected from the public."

Doctors' Stand Attacked by Weir

Can't Thwart Public Opinion on Health Plan, B.C. Minister Warns

"Doctors can't permanently thwart public opinion," declared Hon. G. M. Weir, British Columbia Provincial Secretary in assuring the Legislature that the Government has by no means abandoned its Health Insurance Act.

Rather, a broader scheme is being planned and the Government hopes to see it in action shortly, the speaker said.

Frequent "friendly conferences" with representatives of the medical profession are being held.

"Give me the name of any actuary who says the bill is not actuarially sound!" he challenged. Answering the charge that the bill does not cover indigents, Mr. Weir said that he had "tried to get them in" but that actuaries had ruled it impracticable.

He quoted doctors as saying that 80% of the people would be better under the Act than they are at present.

Doctor Sees Catastrophe If Life Is Too Prolonged

If a sudden increase of only 10 years in the life span of man occurred, a social and economic catastrophe would follow, Dr. Alexis Carrel, member of the Rockefeller Institute, New York, and famous scientist, declared to the Convention of Life Insurance Presidents in New York last week. "The importance of human life depends on its quality, not on its length. The prolongation of life for a great many people would profit neither themselves nor society."

While improved measures of hygiene and greater medical knowledge point to a lengthening of life the famous scientist pointed out that any important prolongation depends not only on protection against disease but improving the quality of tissues and blood and increasing the resistance of the body to wearing out.

Earnings Higher For Can. Wineries

Sale of Lewiston Plant Removes Source of Loss and Aids Cash Position

Canadian Wineries Ltd. reports a profit of $37,434 for the six months ended Oct. 31, 1937, before provision for income taxes, against a loss of $22,202 for the corresponding period of 1936. Sales, according to A. G. Sampson, vice-president, have increased 45% over last year.

The company does not expect that earnings for the second half of its fiscal year ending April 30, 1938, will be as great as for the period just ended but states that there is every reason to expect that an improvement will be shown over last year.

Lewiston Plant Sold

Sale of the Chateau Gai, Ltd., plant at Lewiston, N.Y., for $100,000 is also announced. The price indicates that a substantial loss was taken on the transaction as the 1935 annual report showed an investment in Chateau Gai, Ltd., amounting to $231,549. The Lewiston plant was established in 1934. It is stated that since its inception the loss per year has amounted to $27,000.

Working capital has been improved as a result of the $100,000 in cash received and the company's bank loan has been repaid.

Inter. Utilities Issue Stock to Cover Deal

From Our Own Correspondent

MONTREAL. — Montreal Curb Market has approved for listing 37,415 additional class B shares of International Utilities Corp. The additional shares are to be issued upon completion of an arrangement of merger of the International Utilities Corp. and the American Equities Co.

According to the scheme of arrangement, American Equities will be absorbed by International through an exchange of shares, whereby for each share of American Equities, other than shares now held by International, the latter will issue one-tenth of a share of its prior preferred stock series 1931 and a half a share of its class B stock.

Winn. Electric Earnings Drop

Full Interest on Income Bond Likely to Be Paid

By STAFF WRITER

WINNIPEG.—Earnings of Winnipeg Electric Co. available for bond interest in 1937 will be somewhat lower than in 1936, when they amounted to $3,365,024. However, income interest on the company's general mortgage series "B" bonds will be earned after depreciation, and present expectations are that the full 4% interest on the income bonds will be paid.

For the first nine months of the year, gross earnings of the company increased by $115,920 to $4,952,915, but an increase of $131,757 in operating expenses and taxes resulted in a decline of $15,837 in earnings available for bond interest and depreciation to $2,019,720.

The last quarter of the year will probably show a further decline since the company has lost some revenue as a result of the expiration of a contract with the Winnipeg municipal hydro on Sept. 1. Loss of revenue from this source, however, is being partly offset by an improvement in demand from other sources.

Settlement of the wage dispute with its employees will cost the company $82,000 annually.

Prospects are that earnings of the company in 1938 will show an increase over the current year. At present it is constructing a power line to Kenora, Ont., and delivery under its contract with Minnesota & Ontario Paper Co. will commence next year. It is probable that contracts will also be entered into with some mining companies in this area. Furthermore, indications are that there will be improved demand in the Winnipeg area.

C. I. L. Dividend Sets New Mark

Distribution of $7.50 This Year Is Well Above Previous Record

From Our Own Correspondent

MONTREAL.—Directors of Canadian Industries Ltd., have declared a final dividend of $2.75 a share on the common stock, payable Dec. 23 to shareholders of record Dec. 15.

This will bring total payments for the current year to $7.50 a share—a new high—as compared with $6 in each of the preceding three years, the previous record.

Increase in the distribution to the common shareholders would indicate a substantial expansion in earnings for the current year. It is invariably the custom of this company to pay out less than was earned.

Last year earnings on the common stock amounted to $6.45 and in 1935, $5.85 a share. The advance in payments to $7.50 a share would indicate possible earnings of around $8 a share; the highest reported in many years.

Nova Scotia Gold

Gold operators in Nova Scotia shipped, 1,686 fine ounces to the Royal Canadian Mint in August, as compared with 1,458 ounces in July and 679 ounces in August, 1936.

Each year for the last eleven years the Standard Life of Edinburgh has declared a . . . . . .

$21 PER $1,000

ANNUAL COMPOUND BONUS

addition to the Sum Assured and corresponding Cash Dividends ... in 1937 this yielded for the year to many of the older members over

$40

PER $1,000 on the original sums assured

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ASSURANCE COMPANY

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Established 1874

London Life Insurance Company

"Canada's Industrial-Ordinary Company"

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Experienced salesman of Life and Fire Insurance to take charge of our Insurance Department. Good knowledge of the business, good personality and ability to work hard are essential. Excellent remuneration to real producer. State experience, references and salary required, writing direct to Nicholl & Ashton, P. O. Box 529, Hamilton, Bermuda.

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"Expense" or "Investment"?

By adopting the Northwestern Mutual plan of fire insurance, business men convert an "expense" into an "investment" paying substantial annual dividends. Last year this mutual company distributed $1,143,727 to policyholders in dividends.

NORTHWESTERN MUTUAL FIRE ASSOCIATION

Non-Assessable Policies Assets $6,000,000.

BRANCHES ACROSS CANADA: Toronto, Hamilton, Ottawa, Montreal, Quebec City, St. John, Halifax, Winnipeg, Saskatoon, Calgary, Edmonton, Victoria, Kelowna, Vancouver

WORRY REDUCES PROFITS OF EMPLOYER . . . AND EMPLOYEE

● The greatest hindrance to efficiency in factory or office is worry. It is a substantial item of overhead to employer and employee.

A wage-earner, who is free from financial worries about the future, gives his undivided attention to his work; he is worth more to his employer; his own chances of advancement are better.

Great-West Life Group Insurance is an advantage to all concerned. It places protection within the reach of those who cannot otherwise afford it. They can obtain Group Insurance regardless of age or physical condition.

It relieves the employer of the necessity of giving charitable assistance to families of deceased employees. It reduces personnel turnover, increases efficiency and promotes loyalty to the firm.

We shall be glad to discuss this important problem with you.

The GREAT-WEST LIFE ASSURANCE COMPANY

Head Office—WINNIPEG

Banking

Mine Expansion Halts Cut in Branch Banking

New Branches in Northern Ontario, Quebec Offset Closures in Saskatchewan's "Ghost Towns" — Move Continues to Eliminate Overlapping

Downward trend of the number of branch banks operating in Canada continues for this year, but the decline is much less sharp than last year largely because of the demand for banking facilities in new and thriving mining areas of Ontario and Quebec.

By far the greatest number of bank withdrawals have been from the Province of Saskatchewan where 25 branches have been closed during the first 11 months of the present year.

Despite the attacks of the Social Credit Government in Alberta the chartered banks so far this year have closed only 10 branches, several of them in highly competitive urban centres.

Pioneering has been the traditional policy of the Canadian chartered banks. Only through the system of branch banks have they been able to support the risks and expenses of extending out to the frontier.

Mining Expansion

Typical of branch extension is the case of Larder Lake, a year and a half ago, nothing but a couple of shacks on the side of a lake a dozen miles east of Kirkland Lake. Today Larder Lake has two branch banks, hotels and a "city plan" drawn up by a distinguished Canadian architect.

Other branch banks opened in mining areas during the year are: Bank of Montreal at Goldfields, Sask.; two branches of the Royal Bank in Val d'Or, Que., and Arntfield, Que.; Imperial Bank at Bourlamaque, Que., and at Garson Mine, Ont.; Bank of Montreal at Goudreau, Ont., and at Senneterre, Que.; Dominion and an Imperial Bank at Larder Lake; Royal at Nipigon; Imperial and Dominion at Rouyn, Que.; Banque Canadienne Nationale at Perron, Que. and at Malartic.

With hardly an exception withdrawals from Saskatchewan are from villages in the drought area, fast declining into the bleak emptiness of "ghost towns."

In Ontario a few small centres have seen branches closed, usually to reduce competition.

Quebec and British Columbia had no branches closed. The three Maritime Provinces had neither openings nor closings.

The Royal Bank closed two branches during the year so far in its West Indian group, the branch at San José, Costa Rica and at Ponce, Puerto Rico.

Net Drop of 13

During 1936 some 70 branches were closed with Ontario and Quebec accounting for more than half of the total. This year, the banks seem to be concentrating on clean ups in other fields. In spite of the broad sweep of closings in Saskatchewan and to a lesser degree in Alberta, it appears that 1937 will see only a narrow change in the branch bank situation. Totals for the first 11 months of the year are approximately 46 closings, 33 openings, a drop of only 13.

Bank officers are understood to feel that there are still too many branches, and that the sweeping expansion of the 20's has not yet been adjusted to national needs. In some areas banks have arrived at an agreement for the withdrawal of one bank's branch for the purpose of reducing competition. But there are still many parts of Canada in which banking is definitely unprofitable and where banks continue for other than local reasons.

In recent figures it was disclosed that in 1935 only 41 of the 221 branch banks in Alberta made a profit and that in seven of the 41 the profit was under $300 for the whole year. Losses were incurred in 180 branches. For the 10 years, 1926 to 1935, after providing for operating expenses and taking care of bad and doubtful debts, the banks incurred a "very substantial loss," so that even prosperity for the country as a whole does not mean profit for some branch banking.

Bank Chat

Bank Bonuses

The Christmas spirit is running high around some of the banks. In some institutions bonuses which have not been seen for years are going around again and in others these Yuletide blessings are coming in almost unexpected fatness. Some banks with later year-ends have done nothing so far, but that leaves room for lots of hope.

Bank of Commerce declared a 2% bonus for all employees. Bank of Montreal bonuses were, The Financial Post understands, better than for some years. Although only 25% of the staff were thus favored, we hear, it seems, that bonuses were some 5% higher; also that the large proportion went to juniors where they would make the biggest impression.

Other banks, it is indicated, will be heard from later.

* * *

Winnipeg's First Bank

Sixty years ago, in the shadow of the bastions of thriving Fort Garry where Indians and white traders haggled over furs, buffalo, powder and shot, the Bank of Montreal established a branch. The first bank in what was to be the city of Winnipeg has just marked this diamond jubilee. This branch is believed the first of that institution to have a time lock installed on its vault, result of a lock that once refused to open, which made it necessary to import an expert from St. Paul. Among managers and superintendents who have served at Winnipeg are Jackson Dodds, now general manager, and R. H. Arkell, now in charge of the main city branch at Vancouver.

* * *

Christmas Savings

The biggest year in the last six or seven has just been scored by the Christmas Clubs of the Imperial Bank. While figures have not yet been compiled for all branches a substantial increase in the amount of money thrifty depositors put away each week against the festive and expensive Yuletide has been shown. Altogether it is estimated that Dec. 1 saw the release of $200,000 for Christmas shopping.

New peak in Christmas savings both in dollar amount and in the number of members is reported for New York State. The total amount saved through Christmas clubs in N. Y. State savings banks this year is almost $22 millions, an increase of nearly 17% over last year.

* * *

The Royal Wins

A flaming tropical feather is trailing from the Royal Bank masthead. "El Mundo," one of Cuba's leading newspapers, recently held a contest in which the question was asked, "Which bank operating in Cuba offers the best service to its clients?"

Royal Bank got a whopping majority. Now from the wall of its Havana branch hangs a fancy Spanish diploma which reads, "Latin-American Commercial Industrial Contest. The people of Havana by popular voting have granted first place to the Royal Bank of Canada on account of the facilities given for banking transactions. The organizers of this contest published in the newspaper 'El Mundo' in testimony thereof grant this diploma of merit."

* * *

Robot Banker

Some discomfiture for bank clerks may be the result of a recent banking development in the United States. This is the single posting plan which uses a photographic process to record each transaction thereby greatly reducing the labor behind the teller's cage.

"Recordak" is the manufacturer's name for this "robot teller" which is being installed in quite a few banks. The customer drops his cheque into the slot as simply as mailing a letter. The machine takes a picture of it on film similar to that used in home movie apparatus. If a receipt is wanted, the customer stamps his cheque with a stamp attached to the machine, and when the machine sees that stamp, it makes a note of the request and the receipt is mailed out next day. It is claimed the robot can handle 100 transactions a minute.

Some banks are undoubtedly now using the machine for promotion purposes, and it is denied that any U. S. clerks have lost their jobs over it yet—but . . .

Bank of Canada Weekly Statement

For another week the operations of the Bank of Canada are but dimly revealed by its weekly statement. Again biggest changes are in the undefined items, "all other liabilities," which are down $10.3 millions from last week and "all other assets" down $11.5 millions.

Holdings of short-term government securities are down some $2 millions and half a million decline in long terms is reported. Notes in circulation increased $2 millions and deposits of the chartered banks are down $3 millions. Reserve in U. S. dollars and sterling is increased $2 millions.

Balance Sheet

	Dec. 8 1937 $	Dec. 1 1937 $
Liabilities		
Capital paid-up	10,100,000	10,100,000
Notes in circ.	158,213,988	156,124,519
Rest fund	743,716	743,716
Depos.: Dominion	26,233,040	28,497,425
Banks	197,367,464	200,750,590
Other	2,091,583	711,420
Total deposits	225,692,087	229,869,435
All other liabs.	5,134,165	15,446,385
Total liabs.	399,883,956	412,284,055
Assets		
Reserve: Gold	179,703,887	179,631,374
Silver bullion	2,737,450	2,698,459
Res. in sterling and U. S.	22,428,492	20,673,016
Other curr.	449	512
Total reserve	204,870,278	203,003,361
Subsidiary coin	103,559	125,805
Investments:		
Dom. govt. short	81,834,988	83,868,475
Other Dom. govt.	96,133,881	96,863,496
Other secs.	12,197,233	12,192,800
Total invest.	190,166,102	192,924,771
Premises	920,007	919,969
All other assets	3,824,010	15,310,149
	399,883,956	412,284,055
Reserve ratio	53.36%	52.59%

Weekly Bank Clearings

	Dec. 9 1937 $	Change Year Ago %	Dec. 2 1937 $
Halifax	2,985,740	+18.8	2,677,309
Saint John	2,103,574	+19.3	2,079,077
Moncton	911,932	+13.8	781,783
Sherbrooke	679,529	+21.2	705,061
Quebec	5,053,738	+ 6.6	6,230,236
Kingston	660,071	+10.7	640,424
Ottawa	44,780,820	+48.1	24,055,234
Montreal	111,700,935	—17.0	140,809,619
Peterborough	635,086	— 2.1	694,265
Toronto	128,765,306	+ 1.1	156,810,243
Hamilton	5,362,478	+11.6	5,735,548
Kitchener	1,039,785	+ 7.7	1,207,848
Brantford	944,012	+ 2.0	1,039,407
London	2,701,501	— 2.4	3,387,939
Chatham	671,640	+ 8.7	1,161,953
Windsor	3,009,727	— 6.5	3,381,766
Sarnia	601,039	+11.1	543,445
Sudbury	914,284	— 5.1	1,114,815
Winnipeg	33,302,719	—10.3	36,942,660
Fort William	885,427	+13.7	810,759
Brandon	358,590	+ 8.5	381,917
Regina	4,299,474	+ 1.5	2,948,197
Moose Jaw	598,344	—16.5	563,013
Saskatoon	1,359,996	— 9.3	1,279,266
Prince Albert	306,984	— 6.6	320,461
Edmonton	4,059,984	— 0.1	4,055,692
Calgary	6,352,087	+ 5.9	5,836,081
Medicine Hat	238,594	+ 4.1	214,503
Lethbridge	626,936	+ 9.8	517,233
N. W'minster	640,334	— 0.3	720,116
Vancouver	16,948,334	—16.8	20,292,185
Victoria	1,607,227	—12.5	1,637,477

Staff Changes

The Bank of Montreal announces the following staff changes:

H. L. SIEGRIST, formerly accountant, Camrose, Alta., to be manager, Acme, Alta.

W. H. ROBINSON, formerly accountant, Kitchener, Ont., to be manager, Forest, Ont.

O. MEUNIER, formerly accountant, Park and Bernard Aves., Montreal, Que., to be manager, Villeray and St. Denis Sts. Montreal Que.

B. N. SYLVESTER, formerly manager, Walkerville, Ont., to be manager, Hounslow Heath & St. Clair Ave., Toronto, Ont.

P. G. JAMESON, formerly manager, East Windsor, Ont., to be manager, Walkerville Ont.

The Bank of Nova Scotia announces the following staff changes:

R. SKINNER to be manager at St. James, Man.

J. S. TAYLOR to be manager at Nanton, Alta.

British Bank Has 24% C.P. Stock

Holds 3.3 Million Ordinary Share in Trust For Others

From Our Own Correspondent

MONTREAL.—According to the report of the Canadian Pacific Railway, to the Securities and Exchange Commission, at Washington, Westminster Bank Ltd., of London, England, is the registered owner of 3,326,045 shares of its ordinary stock. This is equivalent to 24.18% of the total amount outstanding.

The Westminster Bank holds these shares in trust for various individuals and companies.

The Westminster Bank is the only registered owner of more than 10% of C.P.R. ordinary stock.

Under miscellaneous investments C.P.R. holds $867,475 of its ordinary stock, this being the par value of 34,699 shares. These shares represent unsubscribed or cancelled proportions of shares allotted to shareholders and employees.

Building Products Ltd. Declares 50-cent Bonus

From Our Own Correspondent

MONTREAL.—Building Products Ltd. has declared a bonus of 50 cents a share on the class A and B stock, together with a regular quarterly dividend of 50 cents a share, both payable Jan. 3 to shareholders of record Dec. 17.

Dividend on these classes of stock was increased to a $2 annual basis with payment on Oct. 1, when an extra of 25 cents a share was also paid. Previously the basis was $1.40 a share plus extra.

How to Profit from the Figures — 5

The Shareholder's Equity

Stripping Assets of Intangibles is First Vital Step

This is the fifth article in a series on reading financial statements. The sixth, discussing "Where Income Goes," will appear next week.

Just as the home owner has an equity in his residence, the stockholder owns an equity in his company. And in much the same way that the mortgage lender rates his investment partly on the value of the property securing it, so the bondholder can calculate the net book value of the company's assets securing his bond.

The all important point for the investor to bear in mind in connection with such book values, however, is that they are to some extent fallacious in that values fluctuate; and that whatever may be the stated book value of assets and liabilities they may be put at either too high or too low a level in the balance sheet from which the calculations are made.

Intangibles in Net Worth

The methods of calculating the "net worth" of a company and "book values" of stocks and bonds can best be illustrated by examining a simplified case of residential ownership, such as this:

Cost of house	$10,000
Less: First mortgage	5,000
Second mortgage	1,000
Net worth to owner	$4,000

The "net worth" of the house to the owner is shown as $4,000. In financial parlance, however, the term "net worth" includes intangible assets, and indeed in this case there may be something of the intangible in the $4,000 figure.

The cost of the house is known to have been $10,000, but the real going value might be only $8,000. If so, the actual equity of the owner would be $2,000 rather than $4,000. But the owner may nevertheless still consider the house worth the $10,000 he paid for it because of neighborhood associations, or for other sentimental rather than economic reasons. In stating the value at $10,000, despite the decline there may have been in market value, the owner in our theoretical case is therefore including $2,000 of intangibles.

That illustrates the use of "net worth" to describe the equity of shareholders in a company. "Net worth" consists of the amounts shown as belonging to shareholders for their capital and the earned surplus that has been accumulated, even though the assets represented by such investments may have depreciated, or may include amounts for such intangible items as "goodwill." The real "book value," or "equity," of course, should be placed at $2,000.

Incorporating the House

Suppose the owner of the house is incorporated as the Smith Co. Ltd., with a capital of $5,000 of first mortgage bonds, $1,000 of preferred stock and 100 common shares. The balance sheet could be drawn up as follows:

Smith Co. Balance Sheet

Assets	
House	$8,000
Goodwill	2,000
Total	$10,000
Liabilities:	
Bonds	$5,000
Preferred stock	1,000
Common stock	4,000
Total	$10,000

Since the "book value" of securities—the "equity" for stocks and bonds—is a theoretical conception of what they should produce if the company were liquidated, it is first necessary to eliminate intangibles to arrive at a conservative appraisal.

The first step, then, in calculating book value is to disregard the $2,000 of goodwill and to take the assets at $8,000.

For the $5,000 of bonds, there is $8,000 of assets as security. Thus, for $1,000 of bonds the equity is $1,600.

To calculate the book value of the preferred stock, the amount of the bond issue must be deducted. But the bonds might have to be redeemed at a premium, of say 10%, in the event of liquidation of the company. So we deduct $5,500 from the $8,000 of assets.

That leaves $2,500 applicable to the $1,000 of preferred stock, which therefore has an equity of $250 per share of $100.

Similarly, the preferred stock must be deducted to reach the book value of the common stock. Supposing the preferred is also entitled to a 10% premium in liquidation, the amount deducted for the preferred is therefore $1,100 rather than $1,000.

The equity for the common is thus $2,500, less $1,100, or $1,400. As there are 100 common shares, the book value, or equity per share, is $14.

Calculating Equity

Among the points for the investor to note in such calculations are:

1. The elimination of intangibles from the assets.

2. Deduction of liabilities prior to calculating equity.

3. Allowance of full liquidating value, including premiums and arrears of interest or dividends, if any, on bonds and preferred shares.

Some of the variations encountered in calculating book values are illustrated in a more complex example, as follows:

Consolidated Co. Balance Sheet

Assets:	
Cash	$ 75,000
Accts. receivable	325,000
Inventories	400,000
Total current assets	$800,000
Investments	100,000
Organization expense	150,000
Bond discount	40,000
Goodwill	500,000
Plant. property	860,000
Total	$2,450,000
Liabilities:	
Bank loan	$150,000
Accts. payable	25,000
Interest due	50,000
Total current liabilities	$225,000
Depreciation reserve	100,000
Mortgage	175,000
Bonds	600,000
Capital stock:	
2,500 pfd. shs.	250,000
10,000 com. shs.	750,000
Surplus	350,000
Total	$2,450,000

It looks complicated, but the process of calculation of book values, or equities, is virtually as simple as for the Smith Co. The arithmetic of the calculation may be tabulated, thus.

Total assets	$2,450,000
Less: Organization expense	150,000
Bond discount	40,000
Goodwill	500,000
Leaving tangible assets	$1,760,000
Less: Current liabilities	225,000
Depreciation reserve	100,000
Mortgage	175,000
Leaving net tangible assets (Being $2,100 per $1,000 bond).	$1,260,000
Deducting: Bonds at face value plus premium of 10%	660,000
Leaving equity for stock of (Being $240 per $100 of preferred).	$600,000
Deducting: Preferred stock, with liquidating premium of 10%	275,000
Leaving book value for common (Being $32.50 per common share).	$325,000

The book values indicate that the bonds and the preferred stock are well secured, but that the balance sheet value of the common stock may be considerably inflated.

Use of Book Values

For practical purposes, the reader of financial statements must recognize that assets in liquidation would probably not bring the full amounts at which they are carried in the balance sheet. And also, a company which is a profitable going concern may be worth more than the balance sheet indicates, signifying that "goodwill" is often something more than purely intangible.

Notwithstanding all the misconceptions that may arise in calculations of book value, and all the fallacies of capital values that may be involved, this method of figuring the worth of securities is not without merit. It is safe to say that it should be given some attention in appraising investments even though it may be less important than earnings as a measure of current values.

There is always the possibility that a company's earnings will dwindle and that it may be sold or liquidated on the basis of asset values below the market value of securities. And on the contrary there is the possibility that the book value of a company's securities may be greater than the market value, indicating that the eventual worth of the securities may be greater than is generally supposed.

Alberta Poverty to End By Will of 'The People'

Necessity Knows No Law, Says Aberhart "News" Release

"One of the fallacies so carefully fostered by bank-controlled economists and other sound money touts is that the savings of the people, their surplus over present needs, is the only source of financial credit—the only basis of the ability to lend money," declares the current release of the Aberhart Government's Department of Public Relations.

"Obviously this is not true," declares the Social Credit propagandist, "for, if it were, the last war could not have been, and the next one could not be, financed.

"Those who predict failure for Social Credit in Alberta confuse specific methods with policy — the abolition of poverty. Our opponents use every excuse and weapon to distort the truth and to confuse the people. The people did not trouble about methods—their will prevailed and methods were found, since necessity knows no law. And so it is with poverty because there is no longer any real necessity for it. We know that as the people demand its abolition, their will must prevail in the end. What we refuse to believe is that there is no solution or that the problem will solve itself, if let alone. The time has come to end another disgrace to civilization. The Federal Government dare not disallow the three latest bills; they were referred to the courts as the people demanded.

"It is hard for people who have been taxed out of farms and homes to realize that a condition could be brought about in which there need be no taxation; yet that is just what Social Credit means to us. The use of their own credit, the placing of taxation on such institutions as are empowered to monetize the credit of the people, the payment of a basic dividend, enjoyment of their cultural heritage, are only a few of the many blessings which the people will shortly enjoy in their freedom from the bondage of the money-lenders."

Winnipeg Seeking $5 Millions Grant

Would Shift Burden of Jobless Relief Cost

By Staff Writer

WINNIPEG.—The city of Winnipeg in its submission to the Rowell Commission has requested aid equivalent to $5.6 millions annually.

In addition to asking that it be relieved of unemployment relief costs, the city asks over $800,000 of taxes now collected by the Provincial Government, and is seeking substantial grants toward the cost of education, police protection, hospitalization, health and welfare services. Further, it wants the province to pay municipal taxes on properties used in connection with its commercial undertakings.

Tabulated below are the benefits which would accrue to Winnipeg if its proposals are accepted.

Application of Proposals

Portion of provincial railway taxes	$ 300,000
Taxes on government properties	50,000
Portion of auto and gas taxes	300,000
Provincial old age pensions tax	203,385
50% of net education costs	1,600,000
50% of net police costs	350,000
Relief costs	1,604,040
Debt charges on relief debt	838,189
50% hospital costs	65,000
Hospitalization costs	100,000
50% of health and child welfare	200,000
	5,610,614

Foreign Exchange

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	1937 Dec. 6	1937 Dec. 7	1937 Dec. 8	1937 Dec. 9	1937 Dec. 10	1937 Dec. 11	1936 Dec. 11
U. S. dollar, High	.99[illegible]	.99[illegible]	1.00$\frac{1}{32}$	1.00$\frac{1}{32}$	1.00$\frac{1}{32}$	1.00$\frac{1}{32}$	....
Low	.99[illegible]	.99[illegible]	.99[illegible]	1.00	1.00	1.00	....
1936, High	1.00	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	....
Low	.99[illegible]	.99[illegible]	.99⅞	.99[illegible]	.99⅞	.99⅞	....
U. K. pound	5.00	4.99¾	4.99¾	4.99¾	5.00⅛	4.99⅞	4.89¾
Australia	4.00½	4.00¼	4.00¼	4.00¼	4.00½	4.00¼	3.92
Austria	.1891½	.1891½	.1892	.1892	.1892	.1892	.1873¼
Belgium	.1700½	.1700	.1700	.1700	.1700½	.1700	.1689½
Brazil	.0565	.0565	.0560	.0560	.0560	.0555	.0600
Czechoslovakia	.0351½	.0351¾	.0351⅞	.0351⅞	.0351⅞	.0351⅞	.0353⅛
Denmark	.2233¼	.2232¼	.2231½	.2231	.2233	.2232	.2196¼
France	.0340	.0339⅞	.0339¾	.0339¾	.0340	.0339⅞	.0465¼
Germany	.4032¼	.4032¼	.4032	.4031	.4033½	.4032	.4020¾
Greece	.0092	.0092	.0092	.0092	.0092	.0092	.0090
Holland	.5569¼	.5564¼	.5561	.5562	.5564	.5564	.5440
Hungary	.1993⅜	.1994⅜	.1995	.1995	.1995	.1995	.1978⅛
India	.3771⅜	.3778¾	.3775	.3774½	.3776	.3775	.3709½
Italy	.0526¼	.0528¼	.0526⅜	.0526¼	.0526¼	.0526¼	.0526
Japan	.2911	.2914	.2912	.2913	.2914	.2914	.2855¼
Jugoslavia	.0234½	.0235	.0234½	.0234⅝	.0235	.0237	.0233¼
New Zealand	4.03⅜	4.03⅜	4.03⅜	4.03⅜	4.03½	4.03⅜	3.95
Norway	.2513¾	.2512¼	.2512	.2511	.2513½	.2512½	.2462¼
Poland	.1897	.1897	.1897	.1898	.1898	....	.1888
South Africa	4.99	4.98⅞	4.98⅞	4.96⅞	4.99¼	4.99	4.88¾
Sweden	.2579¼	.2577¼	.2577	.2575	.2579	.2577½	.2652½
Switzerland	.2315¾	.2314¼	.2313½	.2313	.2313½	.2313½	.2296¼
Hong Kong	.3124	.3128	.3127	.3125	.3125	.3126	.3059

Wabasso Cotton Pays 15c Extra

Total Distribution on Common This Year $1.30 Per Share

From Our Own Correspondent

MONTREAL.— Directors of Wabasso Cotton Co. have declared an extra dividend of 15 cents a share, in addition to the regular quarterly 25 cents, payable Jan. 3 to holders of record Dec. 18.

An extra 15 cents was also paid July 2, 1937. Further, the company had previously paid this year three regular quarterly dividends of 25 cents each.

The aggregate of dividends this year, amounting to $1.30 a share, compares with earnings of $3.37 a share earned at May 1 last. For the last four years earnings of Wabasso have averaged $2.27 a share annually.

Connaught Hotel Co. Elects New Directors

The following new directors have been elected to the board of Connaught Hotel Co.:

C. E. Thomson, chairman; Vernon G. Cardy, president; D'Arcy Martin, K.C., vice-president; John R. Marshall, secretary; and Major W. D. Wilson. All directors with the exception of Mr. Cardy are residents of Hamilton. Court approval has been given to the recent reorganization.

It is proposed to elect additional members to the board at the annual meeting in February, including George A. Ross and C. A. Ripley, Montreal, and Andrew J. Cardy Hamilton.

H. Alexander MacLennan has been appointed manager, and H. J. Aubin comptroller.

Trans-Canada Orders 6 Planes

Contract for New Lockheed Planes of Latest Type

From Our Own Correspondent

MONTREAL.—Trans Canada Air Lines have placed orders for six new Lockheed, 14H transport planes, valued at $690,000, for delivery next August.

Similar to the four now under construction and to be received in the spring, they will be all-metal planes, capable of a top speed of 250 miles an hour, with a cruising speed up to 220 miles an hour, and a range of 2,125 miles. Including accommodation for pilot, there will be 14 places in each plane, and the greatest cargo capacity ever provided in an aircraft of that size.

The planes will be powered with Pratt & Whitney twin engines.

Distributors in Canada for Lockheed airplanes, are Fairchild Aircraft Ltd.

General Steel Wares Plan Passed by Court

From Our Own Correspondent

MONTREAL. — General Steel Wares plan to eliminate arrears of dividends on the preferred, as approved by shareholders last month, has been sanctioned by the courts. Of the total outstanding preferred stock, 33,465 shares were voted for the proposal and 417 against.

The plan, as sanctioned by the Court, provides that the preferred shareholders shall have the right to purchase 2½ common shares for each preferred share held on payment of $1 for each of the common shares. In consequence of the arrangement all arrears of dividends on the preferred shares are eliminated up to April 30 next.

Bathurst Pulpwood Cut On Larger Scale in 1937-38

From Our Own Correspondent

MONTREAL.—Bathurst Power & Paper Co.'s pulpwood cut this winter is now estimated at 88,000 cords. This contrasts with a cut last year of 51,000 cords. The company's greater requirements of pulpwood reflects resumption of newsprint operations and expansion in the kraft liner and other departments.

Nova Scotia Butter

Ten months' output of butter in Nova Scotia this year, ended Oct. 31, is almost exactly the same as last year at 5,157,875 pounds in 1937, compared with 5,157,729 pounds in 1936.

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£23,710,000

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Holding Companies and Mining — 2

Variety Offered Investor

Main Objectives, Diversification, Good Management

By WILFRID SANDERS
Mining Editor, The Financial Post

The phrase "holding company," as pointed out in last week's article, is susceptible to many varieties of interpretation. Theoretically it includes everything from large scale concerns, three of which were dealt with in the preceding article, to those which have inherited a few shares in a few companies to which they have sold claims or services.

Obviously any attempt to include the latter group would be impractical in anything smaller than a book-length review. Moreover such concerns are not holding and exploration companies in the sense understood by the man who deliberately sets out to invest for diversification of risk, or to take advantage of skilled management.

Coniagas Mines

One of the most interesting of Canada's holding and exploration companies is Coniagas Mines Ltd., whose charter dates back to 1906, when silver was much more on the minds of Ontario mining men than gold. As a matter of fact, the name Coniagas is made up of the chemical symbols, Co. for Cobalt, Ni. for nickel, Ag. for silver, and As. for arsenic,—Co-ni-ag-as.

The company was originally one of the most successful silver mining enterprises in the richest silver camp the world had ever seen,—Cobalt. The mill was in operation from September, 1907, until May 30 1924, when it was destroyed by fire.

Since that time, Coniagas has been successfully transformed to its present form, through alert and yet conservative management.

Three Producers in Portfolio

The last annual report showed that investments include important holdings in Coniaurum Mines, the Porcupine gold producer; Argosy Gold Mines, also a producer; Sturgeon River Gold Mines, another producer; and in many prospects. Last year the company acquired an interest in an Athabaska subsidiary. At the end of 1936, market value of quoted investments amounted to over $3.5 millions, an excess of nearly $1.9 million over book value.

Since it was incorporated, Coniagas has paid $11,940,000 in dividends. Since 1924, when its mill was destroyed, it has paid $600,000 in dividends, indicating what can be done by way of converting a producing mine into a holding company when the mine is exhausted.

As in most Canadian companies of its type, income in the past has been mainly derived from profit on the sale of securities. Here again, however, the status of many of its subsidiaries most of which have come into production in the past few years, indicate that future income may be to an increasing degree, bolstered by the earnings of such subsidiaries. As indicated last week such an objective is the goal of most holding companies, as revenue from sale of securities, in anything but a straight investment trust, is usually regarded as non-recurring income. Working capital at the end of the last fiscal year was $1,968,778.

Last year Coniagas earned 50 cents a share, a striking improvement on the 10 cents per share earned the previous year, and the six cents earned in 1934. In July of this year, Coniaurum Mines, in which Coniagas held, at the end of the last fiscal year, some 471,900 shares, paid a dividend of five cents per share, its first since 1932. On the basis of the above holdings, this would mean a $23,595 addition to Coniagas' revenue in 1937. Because of the large proportion of this company's income at present dependent on profit on securities, it is unwise to estimate earnings. Market conditions this year may result in a lowering in the company's quoted security values.

Coniagas is capitalized at $4 millions, in $5 par stock, of which $3,831,500, or 766,300 shares were outstanding at the end of last year.

Northern Canada Mining

Another outgrowth of the Cobalt silver boom is Northern Mining Corp. Ltd., which was originally incorporated in 1907 as the Beaver Consolidated Mines. Today, the directorate is similar to that of the ably managed Kirkland Lake Gold Mines.

Northern Canada has widespread interests in Canadian mines, although it has not been as yet a large earner. Earnings in the fiscal year ended Sept. 30, 1937, amounted to slightly over four cents per share, as against three cents in the 21 months ended Sept. 30, 1936.

Northern Canada is now being reorganized, as detailed in previous issues of The Financial Post. Briefly, the plan, approved by shareholders, is to distribute one million shares of stock in Kirkland Lake Gold Mining Co.; to form a new company to acquire the remaining assets of Northern Canada Mining Corp., and to surrender the charter of the corporation following such distribution.

Under this arrangement, shareholders will receive two shares of Kirkland Lake Gold, and two shares of the new company for each five shares of Northern Canada held.

The surrender of the old charter and the formation of a new company was necessitated by legal technicalities. As a result of this plan, the management believes that the new, as yet un-named company will be left with sufficiently strong treasury to continue its work of finding new properties and developing them. It will retain, after the distribution of one million Kirkland Lake shares, 565,200 shares in this company, as well as a substantial interest in Argosy Gold Mines, producing, Nordarm Longlac Mines, which will probably be drilled this winter, Kirkland Basin Gold Mines, also planning further work, Casummit-Birch Lake Syndicate, and others.

This corporation's position improved last year, and at Sept. 30, net assets, taking the market value of the company's investments, totalled $2,484,495, or about 99.3 cents per share.

Premier Gold Mining Co.

One concern which has fairly recently consolidated itself as a holding and exploration company is Premier Gold Mining Co., which this year relinquished direct profits in its former chief operation, now owned by Silbak Premier Mines. At the present time, Premier is probably the most cosmopolitan Canadian mining company, with a stake in operations in Canada, Alaska, Arabia, Australia, and Central America.

The company's chief Canadian interests are its 50% interest in Silbak Premier; its 1,490,000 shares of Toburn Gold Mines, the Kirkland Lake dividend payer; controlling interest (1,530,000 shares and $210,000 6% bonds) in Relief Arlington Mines, B.C. producer, and several prospects. Of considerable potential importance is Premier's 40% interest in the Big Bell Mines, a new large tonnage low-grade producer in Australia.

Earnings, based on net profit, have been on a sound basis, amounting in 1936 to 19 cents per share against a dividend of 16 cents per share.

Future revenue will, of course, be largely dependent on the results obtained on the company's varied mining interests throughout the world. The fact that Premier is controlled by the powerful American Smelting & Refining Co. allows participation in many promising projects, and give its management a sound technical background.

Premier, capitalized at $5 millions in $1 par value stock, all of which is outstanding, shows working capital of well over $2 millions.

Nipissing Mines

The silver boom which marked the early part of this century, and which gave birth to so many of Canada's holding companies, is also responsible for Nipissing Mines Co., whose stock is listed in Toronto, New York, and on the Montreal curb exchange. Nipissing Mines Co received its entire income in the form of dividends from the wholly-owned subsidiary, Nipissing Mining Co., which is the operating end of the partnership. Nipissing Mining Co. has the distinction of having produced more silver than any other mine in Canada. Principal interest in the company centres in its indicated 1.5 million share stake in Beattie Gold Mines, the Quebec producing subsidiary of Ventures. Of growing importance is Nipissing's interest in Michigan Pacific Oil & Gas Co. and Jasport Inc., holding royalties on oil and gas producing properties in Michigan.

Nipissing Mining Co. maintains an exploration staff to prospect for and examine properties of merit throughout Canada. Earnings in Nipissing Mines Co., in which the public is directly interested, have fluctuated considerably from year to year. In 1933 and 1934 the company showed a deficit, which was converted in 1935 to a net profit of 38 cents per share, and in 1936 to a net profit of nearly 30 cents per share. It is believed that acquisition of new oil leases in Michigan, and improvement in the earning power of Beattie Gold Mines, will have its effect on 1937 earnings.

Nipissing Mines Co. is capitalized at $6 millions in $5 par value stock all of which is issued and outstanding.

Sudbury Basin

Sudbury Basin Mines, another holding, exploration and development company, possesses certain properties in its own name, but is chiefly concerned with commitments and participation in outside projects, most of which are linked with the Lindsley enterprises.

The portfolio of Sudbury Basin, accordingly, includes such Ventures interests as Falconbridge Nickel, Canadian Malartic Mines, Matachewan Consolidated, Sherritt Gordon, Beattie Gold Mines, and Osisko Lake. Of these, the most profitable investment from the point of view of income rather than capital appreciation has probably been Falconbridge Nickel in which Sudbury Basin owns in the neighborhood of 1,197,000 shares. This investment would, on the current basis of Falconbridge dividends, mean an income in itself of about $359,000 annually. Canadian Malartic, in which Sudbury Basin at last report held some 868,300 shares, paid its first dividend this year, and Beattie started paying in 1936.

Sudbury Basin's principal property is a group of lead-zinc claims at Vermillion Lake in the Sudbury area. This summer, additional property adjoining these claims was acquired, but no official news of renewed operations had been forthcoming as yet. This property undoubtedly will be worked again when lead and zinc prices warrant.

In 1936 Sudbury Basin netted 17 cents per share on the 1,689,505 shares outstanding. Authorized capitalization is two million no par value shares. Year before, profit per share amounted to 23 cents per share, the decline being due to the fact that in 1936 a total of $316,505 was written off securities, whereas nothing had been written off in the two previous years.

On Jan. 2 of this year, Sudbury Basin paid its initial dividend of 10 cents per share, which was well taken care of by earnings. Similar payment will be made on Jan. 3, 1938. Working capital at the end of the last fiscal year amounted to $418,920, a big increase over the past year. Of this, mining and industrial securities were carried at a book value of $411,487, whereas the market value at that time was $797,587.

"Too Numerous to Mention"

Space limitation precludes more than a reference to some of the other holding, exploration or development companies available to Canadian investors and speculators. International Mining Corp., a Delaware, U.S.A., concern, with mining interests throughout the world and a strong directorate, is listed both in Montreal and Toronto. Inspiration Mining & Development Co., a large part of whose income in the past has come from contract drilling, is increasingly active in Northwestern Quebec, and has a well regarded board of directors. No dividends have yet been paid. McVittie-Graham Mines, headed by F. M. Connell, has several irons in the fire, and has recently expanded the field of its operations. It is not yet a large earner. Prospectors Airways is this year stressing the examination, acquisition, and optioning of likely properties to a greater degree than formerly. Chief revenue interest lies in its holdings in McWatters Gold Mines. The board is a strong one. At the time the last financial statement was made public, however, the company lacked working capital sufficient for any widespread operations. Some treasury stock has been sold since at $1.50 per share, which would improve this angle. Kirkland Hudson Bay, controlled by Lake Shore Mines, is in a fairly strong position, is financing several prospects, and owns a property adjoining Lake Shore, which is of potential importance. Recently steps were started, The Financial Post understands, to finance British Mining Investments Ltd., essentially an investment trust along the British lines, with 65% of its investments earmarked for dividend paying gold mines, and other conservative qualifications.

From these articles it seems apparent that there exists for the Canadian investors, and for the English investor who hesitates to participate in Canadian mining ventures because he feels the risk is too intensified, or because he lacks confidence in the directorate, many and various kinds of stock which are designed to overcome these two major objections.

News Concentrates

Ainsworth Mines operating the Banker, Townsite and Albion properties at Ainsworth, Kootenay Lake district of British Columbia, is advised by Carl M. Mohr, general manager, that drilling through the hanging wall of No. 70 drift south has exposed a large body of ore lying behind the wall of the drift. He estimates that the body contains about 3,000 tons, with a fair amount of high grade, running possibly 35%-40%, 40% is millfeed and 20% waste.

* * *

Acme Cadillac Gold holding 600 acres on the west boundary of Cadillac twp., Quebec, reports that it has arranged with New York interests for additional capital with which to carry out an extensive development programme. Agreement provides for a firm underwriting of 300,000 shares at 18 cents net to the company, aggregating $54,000, with an option on an additional 400,000 shares of 30 cents net to provide Acme Cadillac with a further $120,000 when all have been taken up.

* * *

British Dominion Oil & Development Co. are circularizing shareholders in connection with the exchange of $1 par value shares into no par value shares, as arranged earlier in the year. The stock is being exchanged on a share for share basis. Within three months from receipt of the notice, stock will be transferred free of charge, shareholders are informed.

* * *

Cariboo Gold Quartz, November production of $148,925 includes 587 oz., valued at $20,545, from clean-up of the ball mill. Allowing for this, month's recovery of $128,380 from 7,453 tons averaged $17.36 per ton. A sharp increase in grade was responsible for the new high record output in November. Production compares with recovery of $14.54 per ton in October and an average for the last fiscal year of $13.83. Mill handled 248 tons daily in November, as compared with 252 tons daily in October.

* * *

Dome Mines reports gross production for November at $612,625 from treatment of 48,200 tons milled. This compares with production of $625,815 for October last and $664,728 for Nov., 1936.

* * *

Clark Gold Mines has arranged for for sale of its entire issue of production warrants, according to W. S. Lighthall, president. Disposal of these warrants, as arranged with New York interests, will net the company $50,000 and assure the early erection of a 20-25-ton mill on the property at Dyment, in Kenora district of Ontario. It will provide also for continuation of underground development.

* * *

Heva Cadillac Gold secured from No. 8 drill hole on its property in Courville twp., Quebec, value of $28.70 across 4.7 feet. This is the first hole drilled southeast of the main trench. At the northwest end of the shear, previous drilling gave $20.65 across 3½ feet in No. 5 hole. Commercial values did not show in other holes in the same area, which were sunk for exploratory purposes.

* * *

Preston East Dome is negotiating to have Hollinger Consolidated treat up to 1,000 tons of ore daily in the Hollinger mill. The move would entail no change in Preston's capital structure, and it is likely that a tramway from the Preston shaft to the big Hollinger mill would be constructed. Under the plan, Preston would do its own mining and development and place the ore on the tramway for delivery to Hollinger.

* * *

Wesko Mines, officials report that net smelter returns for November were approximately $23,000, compared with $21,112 in October. The property is in the Ymir-Sheep Creek area of British Columbia.

* * *

Martin McNeely has acquired the four-claim group of Ankerite Extension, adjoining Buffalo-Ankerite in Porcupine district of Ontario. Deal includes an agreement whereby $10,000 will be spent upon diamond drilling and other preliminary work, with the subsequent payment of $50,000 over a period. In addition, vendors are to receive a one-tenth stock interest in a new 3,000,000-share company, which is to be formed immediately.

* * *

Upper Seine Gold Mines reports from its Kenora district property that the diamond drilling programme on the "Reef" structure has been completed. Five holes have been sunk. Another long hole may later be put down. In the 3,000-ft. length indicated on Upper Seine ground, the "Reef" shows average width on surface of 200 ft. Officials report that results have been better than expected. As soon as the mine is dewatered, underground development will start at Upper Seine's Sawbill workings.

STEEL COMES TO VAL D'OR

Three years ago a wilderness, today a flourishing town of 6,500 population, Val d'Or, Quebec's latest mining community, turned out en masse to greet the first train over the Canadian National Railways recently completed branch line from Senneterre.

Week in Mining

Power Has Big Stake In Mining's Welfare

Address of Dr. Hogg Has Important Bearing on Future Hydro Policy in Mining Country—Silver Agreement and Canada

To just what extent government or private power concerns should co-operate financially with the mining industry in extending power facilities to the sparsely settled parts of Canada, is an increasingly important problem, and one which sooner or later will have to be settled along definite lines.

Some indication of what the policy of the Ontario Hydro-Electric Commission is to be in this connection was supplied by Dr. T. H. Hogg, new chairman of the Commission, at a dinner tendered him in Toronto recently. Dr. Hogg was, of course, expressing personal convictions to his fellow engineers and was not speaking officially for the Commission. But his views are nevertheless important in view of position and influence.

The new H. E. P. C. chairman left no doubt in the minds of his listeners that he strongly favors "intelligent employment of government funds and enterprise" in the mining country.

Risk Sometimes Justified

Dr. Hogg's remarks on power and mining were of greater potential importance than the daily press had space to emphasize. In the north country, scene of power's most rapidly growing market there are no municipalities able to finance power developments of the magnitude needed to supply the mines. As Dr. Hogg pointed out, in the north, unlike the more settled areas of Ontario, the title to power developments and transmission lines rests in the province and the risk of loss also rests upon the province, and not on any municipality.

In view of this fact, the Provincial Government, through the Commission, has a tremendous responsibility in capital outlay for extension of transmission lines and development of power sites to serve the mines which, in many cases, need power long before they reach the established stage where their longevity is assured. At the present time, the general policy of the Commission has been that, in view of this responsibility, the Commission should take no risk, but should invariably require the mines to deposit security which would guarantee the Commission against any loss.

* * *

Short Sighted?

Isn't this policy, if rigidly applied, a short-sighted one, Mr. Hogg suggested? As he pointed out, there is every indication that the mining industry, which has already had a phenomenal growth in this and other provinces, will continue to expand, with incalculable advantage to the provinces. It is obviously the duty of the Government to administer Hydro resources in the best interests of the province. Mines must have power, and many must have cheap power if they are to exist at all.

Participation in the construction of transmission lines might be justified by charging sufficient for the power to show a profit, notwithstanding an appropriate allowance for short life and consequent loss. The Commission has, of course, precedent for such a policy in the privately owned power companies in the north. But Dr. Hogg went further than this. Might not such a policy be justifiable, he asked, in view of the tremendous advantages accruing to the province from mining, even in cases where a small direct loss is shown through a mine closing down before capital investment in transmission lines has been retired?

* * *

Would Aid Mines

While obviously nothing could justify the Government, through the Commission, taking needless gambles or erecting expensive transmission lines in unproved areas, there is much in what Dr. Hogg has suggested. Any of his engineering colleagues who have specialized in mining could cite to him numbers of cases where the initial deposit at present demanded by the Commission has made the use of power in development impossible, and has thereby resulted in increasing mining costs to such a level as to make the deposit unprofitable.

Dr. Hogg's address has been very favorably received by the mining fraternity, and it is difficult to see how any reasonable businessman could disagree with either his premise or his conclusions.

* * *

Silver Situation

The announcement in Washington to the effect that on and after Jan. 1, 1938, the London silver agreement, barring the dumping of silver by international agreement, would be inoperative, does not materially change the picture of Canadian silver producers.

The crux of the world silver situation is still the U. S. silver purchase plan, and there has been no indication that this will be abandoned. The evidence, as a matter of fact, appears to point to its continuance. Under this plan, the U.S Government pays 77.5 cents an ounce for its domestically mined silver and, while this price directly affects only U. S. mines, it has served as a stabilizing factor in the world price of silver, which has been in the neighborhood of 45 cents an ounce all year.

The Washington announcement, it now turns out, is really nothing more than official recognition of what has been an unofficial breach on the part of many signatories to the London agreement, chief offenders being Spain and China who, racked by war, have not been able to live up to their promises.

Under the agreement, Canada has had to absorb only a maximum of 1,675,000 fine ounces at a minimum of 45 cents per ounce, an annual outlay of about $900,000 a year. Canada's 1936 production of silver was about 18.2 million ounces.

The London silver price which, prior to the Washington announcement, had sagged to new lows for the year, regained strength on news that the London agreement was to go.

* * *

New York to Goldfields

The rapidity with which the north is being opened up is sometimes shown more clearly by isolated developments than by stacks of statistics and summarized reviews.

Typical of this is the rather startling sound of the news that Goldfields, the new mining centre on Lake Athabaska, is now only a day's journey from New York. The fact that one can now leave New York over regular air channels and be in this formerly remote section of northern Saskatchewan the same day has been made possible by a new air service, announced by Roy Brown of Wings Ltd. The service operates over a route from New York to Winnipeg. The Pas, Flin Flon, and Goldfields, a flying distance of 2,500 miles. Weekly service will be inaugurated between Winnipeg and Flin Flon as soon as ice conditions warrant, with charter service available for passengers and express from Flin Flon to Goldfields.

This is, of course, only one incident in many whose sum total is to knit more and more closely the northern districts to the more southerly.

* * *

Index to Mining Stocks

For the week ended Dec. 9, interest in the Canadian mining market was mostly centred on the base metal group which was stimulated by increases in the domestic price of metals. The base metal index of the Dominion Bureau of Statistics advanced steadily from 195.6 on Dec. 1 to 210.8 on Dec. 8, but next day receded to 208.3, when there was little resistance to general market weakness. Activity in the golds was chiefly in the better established junior issues, which displayed strength that found no counterpart in the seniors, and consequently only minor changes occurred in the group index. Daily gold averages fluctuated between 115.2 and 113.0 from Dec. 2 to 9. The Bureau's index for 24 mining issues mounted from 130.1 for the week of Dec. 2 to 132.3 for the following week, with the gold section rising from 113.5 to 114.1 and the base metal group from 198.1 to 207.5.

Turner Valley Plans for '38

Market Strength Seen as Reaction to Active Period

From Our Own Correspondent

CALGARY.—The wave of buying which struck the Calgary Stock Exchange recently is believed due to the tremendous output of crude oil from Turner Valley, and the possibility of widening markets.

Royal Canadian well in south Turner Valley holds the spotlight this week, and was placed on production last week end. This well is located near Davies Petroleum 2, the largest crude producer in the Dominion with a potential production of 3,000 barrels daily.

National Petroleum No. 1 has been acidized and is producing 65 to 70 barrels of crude an hour steadily. Warrants were issued to original subscribers as a bonus, and were not sold. Holders of warrants have the right within 60 days after the completion of the No. 1 well to purchase National Pete stock at 25 cents a share.

Following programme has been mapped out for Turner Valley, and at the beginning of 1938, 35 or 40 wells will be on the active list, and about 15 wildcat wells in other parts of the province.

Okalta is erecting the derrick for well No. 7, south of Prairie and Brown No. 1, and has surveyed the location for well No. 8. Negotiations are almost completed for the drilling of five or six other wells on the Okalta acreage.

York oils will go ahead with an expensive programme on all their leases in the south field.

United Oils 5 is erecting derrick on location between Brown 2 and Prairie. Mid-Royal has spudded in south of the Highwood River.

Davies No. 3 drilling in Section 33, township 17, several miles south of the river, may be ready to spud in before Christmas.

Anglo-Canadian will have all their rigs running again within a month, working on Coronation, Sundance and three new West Flank wells.

Royalite—It is understood that this company is preparing a large programme of drilling on leases spread over the entire South End.

Shaft Going Down For Chesterville

Larder Lake Property is Financed For Work Underground

Underground development now in progress at the property of Chesterville Larder Lake Gold Mining Co adjoining Kerr-Addison, includes the sinking of a three-compartment shaft to 330 feet with 1,360 feet of lateral work on the 150-foot and 300-ft. levels. With the object of increasing known ore, 3,000 feet of underground flat diamond drilling on the two levels is proposed. The company has contracted for adequate electric power, and it is expected that the shaft will be completed about Mar. 15 next, after which lateral development will be undertaken.

Chesterville Larder is capitalized at 1.5 million shares, 774,000 of which are issued. These include 480,650 pooled shares. Of the 726,000 shares now in the treasury, 676,000 are under option to Caryl Mining Corp. to provide sufficient money to bring the property into production. Caryl Mining Corp. now owns 89,000 of Chesterville's issued free shares.

Bulolo Gold Dredging Output Off in November

From Our Own Correspondent

MONTREAL.—Bulolo Gold Dredging reports November production of 8,703 ounces of fine gold, compared with 11,037 ounces in October and 12,318 ounces in November of last year.

Estimated working profit for November totalled 6,865 fine ounces, equivalent to $240,275 in Canadian funds with gold at $35 an ounce. In October the working profit was $281,120 and in November a year ago $303,520.

Production for November this year was from 751,100 cubic yards of gravel, including about 70,000 cubic yards of tailings. In the previous month 899,600 yards were dredged and in Nov., 1936, 856,200 cubic yards.

The company reports that No. 5 dredge has been completed and commenced operating on Dec. 1.

MacDonald Mines reports that encouraging results have attended recent work on sections hitherto unexplored at its property in Dufresnoy twp., Quebec. Some interesting gold showings are said to have been opened. Now ready for drilling are five ore zones in various other parts of the property.

Mining Dividends

	Rate	Close Dec. 13	Yield %
Anglo-Huronian	20c	3.50	...
Beattie Gold	5c	1.29	...
Bralorne	40c+35c	8.05	*9.3
Buff. Ankerite	50c+22½c	12.00	*6
Bulolo Gold	$3	25.00	...
Can. Malartic	†5c	.98	...
Cariboo	10c+1½c	1.68	*6.8
Central Patricia	12c	2.37	5
Coniagas	12½c	2.00	6.2
Coniaurum	10c	1.42	*7
Cons. Smelters	$1+$2.50	56.00	*6.2
Dome Mines	$4	49.50	8.1
Falconbridge	30c	5.00	6
Gunnar Gold	†3c	.80	...
Hollinger	65c+45c	12.75	*8.6
Howey Gold	4c	.27	...
Hudson Bay	$1.75	22.00	7.9
Inter. Mining	90c	8.00	11.2
Inter. Nickel, com.	$2+25c	42.50	*5.3
Island Mountain	5c	.70	...
Kerr Lake	5c	.40	...
Kirk. Lake	9c	1.24	...
Lake Shore	$4+$2	49.00	*12.2
Lava Cap. M.	15c	.90	...
Little Long Lac	40c	4.75	8.4
Macassa	20c	4.70	4.2
McIntyre	$2	37.25	5.4
McKenzie Red Lake	9c	.90	10
McKinley Sec.	5c+2½c	.50	...
Noranda	$3.25	48.00	6.8
Nor. Can. Mining	6c	.65	9.2
Nipissing	37c	2.00	...
Placer Develop	$1.20	14.00	...
Premier	12c+4c	1.90	*8.4
Pioneer, B.C.	40c	2.95	13.5
Pickle Crow	40c	5.30	7.5
Reno	12c	.62	...
San Antonio	14c	1.35	10.3
Sheep Creek	8c+10c	.92	*10.9
Siscoe	20c+2c	3.30	*6.6
Sudbury Basin	10c	3.00	3.3
Sullivan Cons.	5c	1.05	4.8
Teck-Hughes	40c+10c	5.15	*9.7
Toburn	8c+1c	2.20	*4.1
Ventures	25c	5.85	...
Wright-Harg.	40c+30c	7.35	*9.5
Yankee Girl	1c	.22	...

‡Interim. †Initial.
*Yield includes bonus.

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Kerr-Addison On Schedule

Cement Work For Mill Finished—Underground Work Pushed

Pre-mill activity at Kerr-Addison Gold Mines, in Ontario's Larder Lake camp are going ahead on schedule, The Financial Post learns. Practically all the cement work has been completed for the mill, and construction is under way.

The No. 3 shaft is now down over 500 feet and the crosscut from the 500-foot level of the No. 1 shaft has been completed. On the 700-foot level, the crosscut has been completed to the east and is now turned southeast with about 300 feet more to go before cutting into the No. 3 shaft. The turning on of Hydro power, and the installation of two more compressors has made available more air for development work.

Some 300,000 shares of stock owned by Noranda Mines, have been released from escrow.

Says Japs Eager For B.C. Nickel

Syndicate Is Cleared of C.C.F. Charges by Committee

During the course of the recent investigation conducted by the mining committee of the B. C. Legislature into the affairs of B. C. Nickel Mines, Prof. F. Forward, assistant in metallurgy at the University of B.C. stated that the Japanese are willing to put up a million dollar refinery and smelter in Japan if arrangements can be completed to take the entire production from the mine. Prof. Forward had been in Japan and had helped in the construction of a pilot plant to test the Canadian ore. The results, he said were satisfactory.

The committee reported its findings to the Legislature, in which the syndicate financing the operation was completely exonerated of the charges made in the House by a C.C.F. member.

"It is our considered opinion," the report read in part, "that Col. Victor Spencer and his associates have acted both honorably and generously throughout all the operations of the B.C. Nickel Mines Ltd. and during all stages of their endeavors to bring the mine into profitable production."

Kirkland Gateway Gold Finances Drilling Work

Directors of Kirkland Gateway Gold Mines have granted an option on 1,820,000 of its treasury shares for $1,042,000, of which $25,000 is a firm commitment and immediately available for a diamond drilling campaign. The amount provided for under the option, if exercised, should suffice to bring the property into production, says Robert D. Preston, president, in a progress report.

It is expected that Golden Gate Mining Co., of which Kirkland Gateway owns one million shares, will be brought into production during 1938. At Oct. 12 last the mine manager estimated reserves of reasonably assured and indicated ore at 23,900 tons, averaging $19.70 per ton. Deeper work now in progress is expected to increase this indicated ore.

Fernland Financed By Strong Group

Fernland Gold Mines, whose property adjoins Omega Gold Mines on the east, is being financed jointly by Ventures and Anglo-Huronian Ltd. and is starting its new shaft with an immediate objective of 300 feet. Its diamond drilling has indicated a zone 1,600 feet long in which two ore shoots occur, the one proved for 500 feet, averaging approximately $5.88 over a 15.7 foot width. The other zone, proved for 150 feet, shows similar grade over a true width of 10 feet. The company is using the mining plant formerly belonging to Manitoba Eastern Mines, and is, at the present time, using Diesel power.

Nunn's 1938 Map Review Makes Annual Appearance

Containing some 60 detailed maps of Canadian Mining areas, the 1938 edition of Nunn's "Annual Review of Mining Maps," published annually by Norman A. Nunn of Toronto, has been received. Of particular interest are maps of such areas as Gordon Lake, Yellowknife and the Vauquelin-Villebon section of Quebec. A summary of road, air and rail routes by which the various areas may be reached is also added. The property index to the book contains some 2,200 company names, indicating the growth in Canadian mining since the last map review was published, containing only 1,200 names.

From the mining point of view, three of the most noticeable achievements, as reflected in this survey were the Yellowknife and Gordon Lake discoveries, the increased activity at Porcupine, and the revival of the Larder Lake camp.

Finances Obtained For Sheldon Larder

Financing arrangements for Sheldon Larder Mines have been completed, The Financial Post learns, which will put approximately $100,000 in its treasury, sufficient, it is estimated to carry out a thorough programme of diamond drilling, and see the company well into its underground development programme.

Sheldon, whose property lies between Barber Larder and Kerr-Addison, has already done some drilling and surface trenching and while no attempt has been made to assemble results for public consumption, The Post understands that results have been satisfactory.

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Geologist Has Faith in N.W.T. As Mine Area

May Even Excel Southern Areas of Pre-Cambrian Shield

VARIED MINERALS

Indications are that future mineral finds in the North West Territories may well duplicate, or even excel those made in the pre-Cambrian areas of southern Canada, A. W. Joliffe, geologist with the Department of Mines and Resources, Ottawa, states in a paper appearing in the November issue of the Bulletin, Canadian Institute of Mining & Metallurgy.

The author points out that this does not mean that, per unit area, the Territories will ever equal the southern parts of the Canadian shield, either in number of mines or production.

Among those minerals which, according to Mr. Joliffe, it is "reasonably safe to predict" will be among those produced by the three geological divisions of the Territories are placer gold and base metals from lode deposits in the Mackenzie Mountains; chiefly non-metallics such as salt gypsum, and the fuels from the central plains, together with lead and zinc from deposits similar to those of Pine Point; and a wide variety of metallic minerals from the pre-Cambrian region, including gold, silver, uranium, copper, nickel, iron, zinc, platinum, chromium, lithium, tungsten, and tin, with possibly important non-metallics such as garnet, graphite, mica, andalusite, and gem stones.

The remote location of the deposits will tend to increase costs, Mr. Joliffe believes, with the result that only the relatively higher grade deposits will be mineable. The unique character of many of the deposits, and the relative rarity of many of the minerals so far found in the Territories, suggests that the mineral resources of those regions, in some respects, are of an exceptional nature.

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B.C. Shelves New Mine Act

From Our Own Correspondent

VANCOUVER. — Yielding to pressure from mining interests in almost all parts of British Columbia, the Provincial Government has agreed to lay over until next year the proposed amendments to the Mineral Act.

Dr. John F. Walker, deputy minister of mines, contends that there are serious flaws in the present law, even though it has been effective for many years. He says that under the present law prospectors in their declaration of staking and improvements are technically required to perjure themselves.

However, there was so much criticism of reopening the issue during the present session of the legislature that the whole matter was shelved.

Toronto Lists Wendigo Stock

Kenora Property Plans to Open Up Four New Levels

Stock of Wendigo Gold Mines has been approved for listing on the Toronto Stock Exchange and trading started on Monday, Dec. 13.

Wendigo, incorporated with an Ontario charter in October, 1933, owns a producing property in the Kenora district, the mill having started on a regular basis in May, 1936. Since the start of the mill to the end of October, 1937, total recovery amounts to $307,453, from treatment of 28,815 tons, an average recovery per ton of $10.67. The mill is currently operating at a rate of 80 tons per day, with plans to boost the capacity to 100 tons per day. A flotation plant is being installed with the objective of improving extraction.

To date the shaft has been sunk to 520 feet and levels established at 250, 350 and 500 feet. On the 500-foot level a continuous length of 400 feet of ore has been opened up, the vein bulging in places to a 16-foot width and giving an average of three feet, averaging $14 per ton. In addition, a branch vein on the same level has been opened up for 175 feet, average 30 inches, and with similar grade. Plans call for deepening the shaft and opening up another four levels at 150 feet intervals, followed by lateral work along these levels.

Wendigo is capitalized at $4 millions, in $1 par value shares, of which 3,472,190 are issued. In addition, 26,720 shares were recently sold to mine employees and will be issued upon receipt of full payment. Head office is at Toronto, with mine office at Kenora.

Directors are: H. D. Tudor, president; H. G. Young, vice-president; both of Toronto; W. G. Cameron, Kenora; A. C. Snively, Toronto; H. R. Tudhope, secretary-treasurer, Orillia.

Mining Options

Anglo-Canadian Development & Holding Co. has granted option to buy 55,177 treasury shares at $1.75 per share, to provide, if exercised, for liquidation of liability of $96,560, being balance owing on indebtedness incurred July last for acquiring control of Westflank Oil Co. Additional option was granted on 262,273 shares (balance of stock remaining in treasury if the first option is exercised), for one year at $2.25 per share.

Naybob Gold Mines has received payment of Nov. 10 installment, covering 35,000 shares at 42 cents under agreement June 16, 1937. Balance covers 465,000 shares at 42 cents. Issued capital 2,352,143 of an authorized 3,500,000 shares.

Madsen Red Lake Gold — Option on 500,000 shares at $1, under agreement Dec. 8, 1936, terminated by default. Total issued capital, 3,362,007 of authorized 5,000,000 shares.

Francoeur Gold Mines—Additional $20,000 paid on account of the subscription of $125,000 for 250,000 shares. Company has received $109,000 to date. Balance, $16,000, payable on demand. Total issued capital is 2,951,333 shares of authorized 3,000,000 shares.

Royalite Oil Co. — Announces that 55 shares recently issued to Calgary & Edmonton Corp. were as consideration for purchase of a 3% royalty formerly owned by Calgary & Edmonton Corp. This royalty is in the production of the well known as Mar-John Freehold No. 1.

Kerr-Addison Gold Mines—Total of 300,000 shares, owned by Noranda Mines and escrowed by Chartered Trust & Executor Co., have been released.

Gold Belt Mining — Additional 34,846 shares taken up at 30 cents under agreement June 1 last. Balance covers 495,154 shares at 30 cents, payable in monthly installments of $10,000, with next payment due Feb. 10, 1938. Total issued capital 2,304,846 of authorized 3,000,000 shares.

Red Crest Gold Mines has received payment for 15,000 shares at 35 cents under agreement Mar. 20, 1936. Balance covers 215,500 shares at 35 cents, with next installment due Jan. 15. Total issued capital, 2,284,500 of an authorized 3,000,000 shares.

Federal Kirkland Mining—Dec. 3 payment on 25,000 shares at 30 cents under agreement Dec. 2, 1936, in default. Total issued capital is 3,540,508 of authorized 4,000,000 shares.

Partanen Malartic Gold—Remaining installment dates under option provisions of agreement Dec. 9, 1936, extended from Nov. 25, 1937, Mar. 25 and Sept. 25, 1938, and Mar. 25, 1939, to Feb. 25, June 25 and Dec. 25, 1938, and June 25, 1939, respectively. Total of 800,000 shares has already been taken up under agreement and balance of option covers 1,150,000 shares.

Brown Oil Corp. — 1,380,000 common shares released from escrow. At Nov. 12 last, company reported Nos. 1 and 2 wells completed, No. 3 drilling at 5,915 ft. and No. 4 drilling at 1,900 ft.

Amm Gold Mines—Has arranged to sell 50,000 shares at 25 cents per share, payment to be made immediately, and to give purchaser option to buy an additional 50,000 shares at 30 cents for period of 30 days. Proceeds to be used to sink shaft another two levels.

Gillies Lake-Porcupine Gold—Dec. 3 payment received covering 50,000 shares at 12½ cents under agreement Nov. 3, bringing total issued capital to 2,199,900 shares. This payment completes underwriting, leaving option outstanding on 500,000 shares, with first block of 100,000 shares at 20 cents payable by Jan. 3, 1938.

Amm Gold Mines — Dec. 3 installment under agreement Nov. 4, 1937, in default. It covered 50,000 shares at 30 cents per share. Total issued capital is 2,174,000 of an authorized 3,000,000 shares.

East Crest Oil Co.—Has received payment for 50,000 shares at 10 cents, balance of underwriting on 100,000 shares at 10 cents under agreement Oct. 22, 1937. Option on 1,250,000 shares, with first installment, covering 100,000 shares at 10 cents, is payable Feb. 2, 1938. Total issued capital, 1,247,787 shares of an authorized 3,000,000 shares.

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Cent. Manitoba Cash Exceeds Quarter Million

Company Will Continue Search for New Properties

MANY ATTEMPTS

From Our Own Correspondent

WINNIPEG. — Central Manitoba Mines will continue its search for a new property shareholders were informed at the tenth annual meeting of the company held here recently. The company has $265,000 in current assets of which $210,000 is in cash, bonds and bullion and the balance in supplies now being sold.

Central Manitoba has a contingent liability in its contract with the Manitoba Power Co., in which it contracted to use or pay for power to the value of $25,000 per year for 20 years. The contract has still ten years to run. By the extension of the line to San Antonio and Gunnar Gold, much more than $25,000 in power is being purchased and so long as this maintains there is little possibility of the company being called upon to pay anything itself. It was suggested, however, that negotiations might be entered into with a view to securing a release from the contract.

Examines 30 Properties

More than 70 mining propositions have been submitted, none of which were acceptable. Questions were asked regarding one property on which four engineers have given favorable reports. It had received only a cursory examination and it was suggested the directors might have the property further examined in view of the favorable reports.

During its ten years of operation Central Manitoba has recovered gold to the value of $4 millions above the 400-ft. level. John Drybrugh, the company's consulting engineer, said it was unfortunate the vein system was connected with a very shallow structure. He pointed out this was a local condition as evidenced by Gunnar Gold, a short distance away, now down below 1,000 feet and San Antonio down more than 1,500 feet.

The plant is being dismantled and the machinery will be crated and moved over winter roads to railhead at Great Falls, where it will be held either for sale or for the company's own use, should it find another property on which it can be utilized.

William Hurst again heads the company as president, other officers remaining unchanged. It was also explained the delisting of the stock from the Toronto Exchange was due to the removal of the transfer office to the head office of the company, which was entirely an economy measure.

Large Freight Order For Madsen Red Lake

From Our Own Correspondent

WINNIPEG.—Patricia Transportation Co. has been awarded the contract for moving 1,000 tons of freight for Madsen Red Lake Mines Ltd. from Hudson to the mine site a few miles south of Howey. The freight comprises materials, machinery and equipment for the 300-ton mill to be erected on the property. It will all be moved during the winter months over the 140-mile-long route. In addition, the same transportation company will move 270,000 feet of lumber from Flat Lake to the Madsen property to be used for surface buildings to house the mill and other necessary machinery, etc.

A battery of 11 Diesels and 50 large sleighs is in readiness to commence the movement and it is anticipated an early start will be made as ice conditions on the lakes are reported to be favorable.

Airline to West Starts Feb. 1

From Our Own Correspondent

MONTREAL. — Trans-Canada Airline Service between Montreal and Winnipeg will be in operation by Feb. 1, while the full transcontinental service between Montreal and Vancouver will be under way by the middle of next year, according to a statement issued by the Hon. C. D. Howe, minister of transport.

The Service recently placed an order for additional fleet of Lockheed all-metal machines, which will be delivered over the course of the next 12 months.

Quebec Output $58 Millions

Striking Growth Shown in Minister's 1937 Estimate

From Our Own Correspondent

QUEBEC. — 1937 production of Quebec mines and quarries is expected to reach an all-time high of $58 millions, an increase of $8 millions over last year, it is stated by Hon. Oscar Gagnon, Minister of Mines and Fisheries for the province.

Stressing the favorable position enjoyed by the Quebec mining industry, the Minister pointed out that in 1935 production of mines and quarries was valued at some $39 millions and that six years ago the total value was but $26 millions.

The number of producing gold mines in the province is steadily increasing, as there were 12 in 1935, 16 in 1936, and 21 this year, while several others are being actively developed, and are near the production stage.

Gold, main item of Quebec's mineral products, is expected to show a 1937 production of $24 millions, an increase of some $500,000 over last year, and a jump of $7.5 millions over the 1935 figures.

Asbestos Higher Over the Year

Asbestos, formerly first in Quebec's mineral production, is expected to show an increase of some 35% over 1936, with shipments of some 400,000 tons, and representing an increase of nearly 100,000 tons over the previous peak of 306,000, which was established in the boom year of 1929.

Considerable activity prevails in all branches of the mining industry, with 4,939 miner's certificates being issued by the Quebec Bureau of Mines for the first nine months of 1937, as compared with 2,667 for a similar period in 1935. In so far as statutory assessment work done on claims, figures for the first nine months of 1937 show that 659,116 days of work, and 298,878 feet of diamond drilling had been done, as compared with 453,856 days of work, and 125,352 feet of diamond drilling for the same period two years ago.

Noranda Mines Will Treat Ore From Halliwell Gold

With the signing of a contract with Noranda Mines for the treatment of its ore, Halliwell Gold Mines expects to be in production in a few weeks exactly a year from commencement of shaft sinking.

A plan of the underground workings supplied shareholders covering the 450-foot level, the third level opened in the shaft, emphasizes the findings in the newer underground drill holes, the richest of which gave values ranging as high as $84.48 in gold and copper, with an average over 28 feet of $35 per ton.

Two New Mills For Malartics

Sladen and East Malartic Moving Rapidly Toward Production Stage

Development at two Malartic twp., Quebec, properties has arrived at the stage where production in 1938 is virtually assured, judging from reports made on Sladen Malartic and East Malartic Mines.

At Sladen Malartic, the 250-ton mill to be constructed is expected to be in operation early in the new year. Andrew Walz, consulting engineer for this company, reports that the open season has made this rapid construction possible. All heavy equipment is now on the property, and the mill is being financed from the company's treasury, without recourse to any change in the capital structure. Mr. Walz believes that millfeed up to $9 per ton can be realized during the first year, a figure somewhat higher than the run-of-mine ore.

Development underground continues easterly on both the 350-foot and 500-foot levels. Diamond drilling has now indicated the new intermediate east ore body to a depth of 500 feet below the 500-foot level. This ore body shows true widths up to 80 feet and its indicated grade is $7. Mr. Walz classifies it as one of the greatest ore bodies in the mine, and thinks that its tonnage outlook greatly exceeds that of the west ore body. Immediately above, on the 350-foot level, ore has been encountered on the east drive and development is proceeding by drifting, to be followed by crosscutting and drilling. It is planned to sink the shaft an additional 600 feet to open up four new levels to develop this part of the mine.

Mill for East Malartic

East Malartic Mines is also rapidly approaching the production stage, and a mill site has been located. J. P. Norrie, general manager, states that diamond drilling to the east of the No. 3 shaft has extended the ore zone to 1,050 feet from this point, and it is now probable that the entire zone for a length of 2,250 feet will be of commercial value.

It is planned to start building a 500-ton mill when metallurgical tests on the ore are completed.

On Malartic Gold Fields property, diamond drilling has extended the No. 3 ore body to a total length of 600 feet. Assays are not yet complete, but over a width of 7.5 feet, The Financial Post is informed, a grade of $5 per ton is indicated without assaying the coarse gold which has been found in each drill hole.

Rocdor Mines Plans New Drilling Attack

As soon as funds are available, under a financing deal now completed, an additional 5,000 feet of diamond drilling will be done on the property of Rocdor Mines, with property adjoining Lamaque Gold Mines in Quebec, The Financial Post is informed. Rocdor Mines is a three million share company formed to take over the property of Rocdor Gold Mines. Nearly 6,000 feet of drilling was carried out earlier this year on the No. 1 group.

The annual meeting of Rocdor Gold Mines was held recently, and shareholders approved changing the name to Mill-rock Gold Mines, in order to avoid confusion between the holding company and the present Quebec company, Rocdor Mines, which will develop the property.

Under the sale agreement, the holding company, Mill-rock Gold Mines, will receive 875,000 shares of the new company.

Directors of Rocdor Mines are J. G. McChesney, president; Grover C. Murdoch, vice-president and Donald Stevenson, secretary-treasurer, all of Toronto.

Mining Company Charters

Agawa Gold Mines—Ont. incorp. Nov. 19, 1937. H. O., Toronto. Auth. cap. 3,000,000 shares, $1 par.

Akbar Gold Mines—Ont. incorp. Nov. 19, 1937. H. O., Toronto. Auth. cap. 3,000,000 shares, $1 par.

Canada Talc—Ont. incorp. Nov. 22, 1937. H. O., Madoc, Ont. Auth. cap. 2,500 shares, $100 par.

Devil's Lake Mining Syndicate—Ont. incorp. Nov. 19, 1937. H. O., Toronto. Auth. cap. 35,000 shares, $1 par.

Dunmore Mining Syndicate—Ont. incorp. Nov. 23, 1937. H. O., Toronto. Auth. cap. 35,000 shares, $1 par.

Joyce Gold Mining Syndicate—Ont. incorp. Nov. 19, 1937. H. O., Toronto. Auth. cap. 35,000 shares, $1 par.

London Porcupine Mining Syndicate—Ont. incorp. Nov. 20, 1937. H. O., Toronto. Auth. cap. 35,000 shares, $1 par.

Maple Creek Rouyn Mining Syndicate—Ont. incorp. Nov. 18, 1937. H. O., Toronto. Auth. cap. 35,000 shares, $1 par.

Montmagny Gold Mines—Que. incorp. Nov. 17, 1937. H. O., Arntfield, Que. Auth. cap. 20,000 shares, $1 par.

Nipmur Gold Mines—Ont. incorp. Nov. 19, 1937. H. O., Leaside, Ont. Auth. cap. 40,000 shares, $1 par.

Tionaga Gold Mines—Ont. incorp. Nov. 19, 1937. H. O., Horwood twp., Sudbury dist., Ont. Auth. cap. 300,000 shares, $1 par.

SURRENDER OF CHARTER

Quebec Prospectors Ltd.—Que. incorp. Dec. 29, 1936, has surrendered its charter and will be dissolved as and from Nov. 20, 1937.

Mining Claims Mart—Ont. incorp. July 4, 1934, resolved to wind up voluntarily Nov. 19, 1937.

CHANGE OF NAME

Nootka-Zeballos Gold Mines—Will apply to the B. C. registrar of companies as at Jan. 2, 1938, for approval of a change of its name to Privateer Mine, Ltd.

Porcupine Brismont Gold Mines—Under Quebec letters patent Nov. 16, 1937, has changed its name to Bell-Ridge Mines.

Area Sells Group To Lake Dufault

Area Mines, reports, over the signature of J. M. R. Corbet, president, that three of the company's mining claims, together with two recently acquired, have been sold to Lake Dufault Mines for 350,000 pooled shares, together with extended options on treasury stock. The two additional claims were purchased for 50,000 shares of Area stock.

Lake Dufault Mines is controlled by Ventures, and was formed to acquire 63 claims adjoining Waite-Amulet Mines to the east, 46 of which were formerly owned by Ventures, 10 by Young-Shannon, five by area Mines, and two by J. G. MacGregor. Lake Dufault has a capitalization of three million shares, $1 par value, of which a total of one million has been allotted to the various vendors. Area Mines and Ventures have each taken up 100,000 treasury shares at 15 cents per share, to net Lake Dufault treasury with $30,000. Area Mines has been granted an option on 400,000 shares at 22½ cents per share.

Diamond drilling formerly carried out by Ventures has, it is stated, indicated conditions similar to those on the adjoining Waite-Amulet property.

Goodfish Finances Work at Temagami

Goodfish Mining Co., which is developing property in the Temagami district of Ontario, has obtained finances, The Financial Post learned, to continue development work. Under this arrangement, which at time of writing has yet to be ratified by directors, the company's stock is optioned from 15 cents up. At present approximately 2,792,400 shares are outstanding of a 3.5 million capitalization.

The company will deepen the shaft from 355 feet to open up two ore levels at 450 and 550 feet. Developments on the 175- and 325-foot levels indicate a grade of between $10 and $12 per ton, officials informed The Financial Post.

Syndicate Will Exploit Manitoba Salt Springs

From Our Own Correspondent

WINNIPEG.—Northern Salt Syndicate has been formed in Winnipeg to develop salt springs and also to bore for rock salt at Dawson Bay on the shores of Lake Winnipegosis. Lake Winnipegosis is probably the scene of the province's first industrial activity when in 1820 James Monkman started manufacturing salt from springs in the locality. For a great many years Monkman, and following him, his sons, carried on a salt-making industry. They sold it principally to Indians in the form of barter, getting a moose, deer or some other form of exchange. They also supplied Hudson's Bay Co. with salt.

Canadian Industries Ltd. operates a salt plant at Neepawa and Northern Salt plans to erect a modern plant on its property of more than 1,000 acres, anticipating an active market in the northern section of the province. Contract has already been let for the first unit which will have a capacity of about 10 tons daily. Work is to commence immediately. The buildings will be erected at a site only about three quarters of a mile from the new Mafeking-The Pas highway and transportation troubles are therefore non-existent.

Chibmac Mines is drilling to investigate conditions at depth as to values and vein structure below the surface gold showings at its property in Beauchastel Twp., Quebec. Reporting on Chibmac's 11-claim holdings in this area, H. E. Corbett, consultant, states that geological evidence indicates the presence of a gold-bearing zone under heavy overburden conditions. A limited amount of trenching in fairly deep overburden has exposed visible gold.

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Hudson Bay Mining & Smelting

An estimate of the earnings possibilities of Hudson Bay Mining & Smelting, in which I am a shareholder, would be valued.

Uncertainty surrounding prices for copper and zinc must be considered in attempting to gauge the earnings capacity of Hudson Bay Mining & Smelting. Copper prices have been declining recently, although there are sound reasons for believing that they will not fall materially below the 10-12 cent level. On this assumption it is logical to expect the company to expand its earnings, which last year equalled $1.34 per share, as against dividend payments of $1 per share.

This year, dividend payments are $1.75 per share, indicating substantially higher earnings. These earnings, in turn, probably result from higher copper prices prevailing earlier in the present year. Hudson Bay Mining & Smelting's future as regards earnings is, of course, more closely allied with general business conditions and industrial activity than is the case with the gold stocks.

Pioneer Gold Mines

How do you regard Pioneer Gold's action in reducing its dividend rate? A survey of the situation at this property would be welcome.

Pioneer Gold Mines of B. C. is maintaining a production of between $183,000-$186,000 monthly at its Bridge River, B.C., property. Expenses, excluding depreciation, taxes and depletion, approximate $80,000 a month, so that a monthly profit of over $100,000 is being shown before the above deductions are taken into account. Company's present dividend rate is 40 cents per annum, effected in March of this year. Previously, Pioneer paid 80 cents per share.

At the present level of earnings, no difficulty should be experienced in maintaining the reduced rate of dividends. Ore reserves, at the end of March last, were estimated at 597,481 tons of ore blocked out and indicated. Of this estimate, 386,466 tons represented blocked-out ore. Grade is about 0.425 oz. per ton.

In the year ended Mar. 31, 1937, recovery per ton amounted to $15.57, considerably less than that obtained in the previous year and accounting for decreased earnings. At the same date, Pioneer showed working capital position of $1,190,348. It would appear that the company's move in reducing the dividend rate in order to conserve its strong cash position was a wise one. Ore reserves are expected to be maintained in the coming year, though grade might show some lowering. The company is now active in looking for outside properties of merit.

Last year Pioneer earned 52 cents per share, as against total dividend paid of 70 cents per share. Present year's earnings should enable the company to pay its 40 cents per share dividend without dipping into surplus. The management is considered capable and sincere.

Royalite Oil

I should appreciate comment upon the outlook for Valley oils, particularly Royalite, in which I hold some shares.

The marketing problem is the biggest one facing Turner Valley oil producers at present. So greatly has the supply of crude oil in the Valley exceeded present consumption that all wells are being shut down to 35% of their normal flow. In the meantime, operators are trying to expand the market for crude to include eastern Canada. If their efforts are successful, proration will undoubtedly be lifted and earnings rise accordingly. However, we understand there is not much likelihood of this being done until fairly late next year.

Royalite, a subsidiary of Imperial Oil, is the largest operator in Turner Valley, having the most extensive holdings of potential and producing petroleum and natural gas properties. Earnings of $1.15 per share last year showed a substantial increase over the $1.06 per share earned in 1935, and indications are that earnings this year should be still higher. The company enjoys some stability in income and, through its Imperial Oil connection, has the benefit of excellent management.

McIntyre-Porcupine

In what category would you place the shares of McIntyre-Porcupine? The yield appears to me to be relatively low. Your comments will be appreciated.

At current prices the stock of McIntyre Porcupine is yielding about 5.4%. This return, while not as high as that paid by some of the other major gold issues, is fairly attractive when it is considered that McIntyre has taken on the aspect of an investment trust. The company's long-established policy has been to build up its liquid surplus with the ultimate objective of securing a liquidating value equal to the normal market price of the stock.

A dividend of $2 per year amounts to only 40% of the total available for such payments. McIntyre's present surplus is equivalent to $18 per share, and earnings have been fairly stable. At the same time, earnings will obtain any advantages which might accrue from possible higher gold prices. The company enjoys excellent management.

Hard Rock Gold

Please give me some up-to-date information on Hard Rock Gold Mines.

Hard Rock Gold Mines is bringing into production a property in the Little Long Lac area of Ontario. T. H. Rea, president, told shareholders at a recent meeting that the company had about $430,000 on hand and that a balance of some $200,000 would remain when the mill goes into operation during the first week of January, 1938. First unit will have a capacity of 200 tons daily.

At the end of October last, ore reserves above the 300-foot horizon were estimated at 100,000 tons, averaging $14 per ton at the No. 2 shaft and 70,000 tons of $8 ore at the No. 1 shaft. Operating costs are estimated at about $7 per ton. The company's chances of success appear to be good and its affairs have been handled in a businesslike way.

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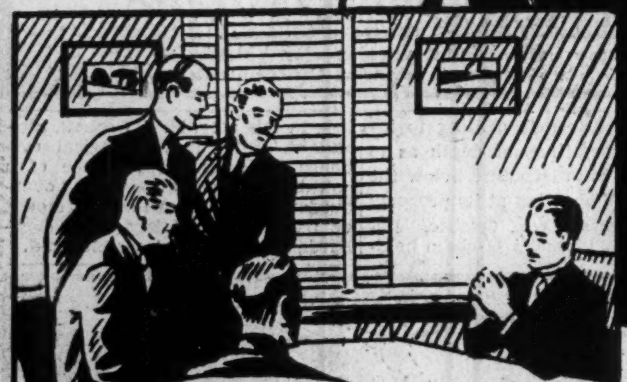

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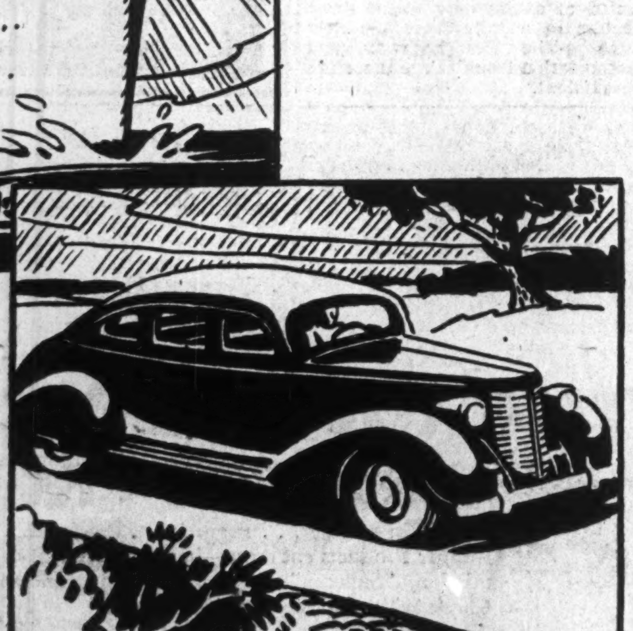

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